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Daily Report

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FBIS-EAS-94-248

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Japan

Mondale Letter Said 'Decisive' in UX Selection

OW2712140194 Tokyo ASAHI SHIMBUN in Japanese
27 Dec 94 Morning Edition p 1

[FBIS Translated Text] It was disclosed on 26 December that regarding the issue of selecting the Air Self-Defense Force's next-generation multipurpose support aircraft (UX), which ended with the U.S. Gulfstream IV being selected, a letter—addressed to the Prime Minister's Office and relevant government agencies by U.S. Ambassador to Japan Walter Mondale in mid-December—urging the selection of the U.S. aircraft had a considerable influence on the Japanese Government's decision. At one time, it was widely believed the issue would be "shelved" or dealt with in some other manner, but suddenly the U.S. aircraft was chosen. A senior Defense Agency [DA] official asserted that "the ambassador's letter played a decisive role."

According to the official, Mondale's letter was delivered to the Prime Minister's Office, the Foreign Ministry, and the DA on 15 December. In an interview with ASAHI SHIMBUN, Chief Cabinet Secretary Kozo Igarashi neither admitted nor denied that the letter was delivered, but several sources concerned have said, "The letter called for selecting the U.S. Gulfstream IV" (as stated by a senior official at the Liberal Democratic Party's [LDP] National Defense Division).

The process of selecting the UX was initially carried out by asking several aircraft makers and trading companies to submit bids. Suspicions, however, were raised that while the former coalition parties were in power, a decision had already been firmed up to select the Gulfstream IV. Cabinet ministers and other government officials belonging to the LDP and the Social Democratic Party of Japan complained that "the selection process was not transparent." Therefore, since August the foreign and finance ministers, the chief cabinet secretary, and the DA director general continued to discuss reconsidering the selection process.

No agreement, however, was reached between DA officials, who insisted on selecting the Gulfstream IV, and Chief Cabinet Secretary Igarashi and other officials, who urged that the matter be handled cautiously. As a result, a compromise proposal emerged in connection with the draft FY 1995 budget suggesting that "related expenses would be allocated but the selection of the aircraft would be suspended." Thus, it was generally believed that a decision on selecting the aircraft would be put off.

On the evening of 16 December, one day after Mondale's letter was delivered, however, the heads of the four relevant ministries and agencies held a meeting at which Igarashi, who, so far, had been passive about making a prompt decision on the choice of aircraft, reversed himself and adopted a more flexible stand. On 17

December, the officials held another meeting and agreed to select the Gulfstream IV.

Regarding this course of events, a senior DA official pointed out that Prime Minister Tomiichi Murayama is scheduled to visit the United States beginning 10 January 1995. He then said, "The outcome is the result of the government's judgment that subsequently selecting the Gulfstream IV after receiving the letter from the ambassador, together with allocating the full amount in the draft FY 1995 budget for covering the government's increased share of the cost of stationing U.S. forces in Japan, would constitute a sort of 'gift' that the prime minister can present to the United States when he makes his visit."

Mondale's Influence Cited

OW2712033994 Tokyo KYODO in English 0320 GMT
27 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—U.S. ambassador to Japan Walter Mondale played a decisive role in helping Japan to choose U.S.-made aircraft as its future multipurpose military plane, a newspaper said Tuesday [27 December].

The ASAHI SHIMBUN quoted a senior Defense Agency official as saying that personal letters from Mondale were influential in determining the purchase of two U.S.-built Gulfstream IV aircraft as an advance order for the plane, code-named UX.

The prime minister's official residence, the Foreign Ministry and the Defense Agency received Mondale's letters on Dec. 15, two days before the government decided to appropriate 7.2 billion yen to purchase the two planes, the national daily quoted the official as saying.

The government was earlier expected to allocate money in the fiscal 1995 budget for the purchase of the UX without specifying the actual plane but the decision to buy the Gulfstream IV came suddenly after Mondale's letters, the ASAHI said.

The Defense Agency picked the Gulfstream in August over two other candidates, the Falcon 900 of France and the Challenger 601 of Canada, but charges were raised that the selection process was less than open.

Foreign Minister Yohei Kono, Defense Agency Chief Tokuichiro Tamazawa, Finance Minister Masayoshi Takemura and Chief Cabinet Secretary Kozo Igarashi were in charge of selecting the UX.

Chief Cabinet Secretary Kozo Igarashi denied that the selection of the UX was influenced by Mondale.

The top government spokesman told reporters the four ministers did not mind such a letter and that the ASAHI's report is very annoying.

Choice of Aircraft Analyzed

OW2612121394 Tokyo TOKYO SHIMBUN in Japanese 22 Dec 94 Morning Edition p 3

[Article by Shigeru Handa, City Desk Department reporter: "Verification—Suspensions Involving the Choice of Gulfstream Aircraft As UX"]

[FBIS Translated Text] Now that expenditures for the procurement of two U.S.-built Gulfstream planes are allocated in the general account budget for fiscal year 1995 just as the Japan Defense Agency [JDA] has demanded, the issue of choosing the next-generation multipurpose aircraft (UX) for the Air Self-Defense Force [ASDF], which has been uncertain for a long time, is now settled. Trading firms and repair companies have been suspected of being engaged in collusive deals, and Hideaki Tamura, a Shinshinto [New Frontier Party] member of the House of Councilors and a former ASDF officer, has chartered a Gulfstream plane at an incredibly low price, triggering suspicions at home about his possible involvement in choosing the Gulfstream. The issue of choosing the UX has been settled without clearing up those suspicions. The prestige of the DA has taken a backseat to "pressure" from the United States to procure the Gulfstreams and a demand for the "thorough clarification" of the process of choosing the Gulfstreams has simply been overridden. TOKYO SHIMBUN has verified how the DA has been disturbed over the past six months by the issue of choosing the UX.

Advice

"Drop the plan to purchase the UX before we come under attack." Shortly before the Committee on the Cabinet of the House of Councilors held its second session to deliberate the issue of choosing the UX, in early December DA Administrative Vice Minister Shigeru Hatakeyama called a senior DA official bed-ridden in hospital to ask him to drop the plan. Seiki Nishihiro, a former DA administrative vice minister who was a member of the Defense Affairs Council, is said to have advised a senior DA official to give up the plan for allocating the expenditures for the procurement of the UX in the general account budget for fiscal 1995.

The DA has been at a loss over how to deal with the UX procurement issue immediately after the TOKYO SHIMBUN reported on 15 July that trading firms and repair companies had been suspected of engaging in collusive deals. On 10 August, the DA held a meeting of counselors in which the counselors were told that DA had decided to choose the Gulfstream as the UX model, primarily for cost-related reasons. Of the two models of the UX that met capability requirements, the total cost of maintaining nine Gulfstreams (for 20 years) was estimated at 42.9 billion yen, one billion yen less than that of the French model of Falcon 900.

At the meeting, one of the attendees raised an objection to procuring the Gulfstreams, asking: "Is the DA going to

choose the Gulfstream only because the cost of maintaining it is one billion yen less than that of the French model?" Other attendees voiced discontent with a statement of required capabilities compiled by the Air Staff Office. Administrative Vice Minister Hatakeyama, who presided over the meeting, unilaterally closed the meeting. Afterwards, the DA tentatively decided to procure the Gulfstream.

Four months later, tensions mounted again within the DA when the Committee on the Cabinet of the House of Councilors decided to hold its second session to consider again the issue of choosing the UX.

A senior DA official called on Administrative Vice Minister Hatakeyama in a hospital. In the middle of their conversation, Hatakeyama said, "We have failed to settle this issue of choosing the UX before the upper house committee takes up it again." DA Director General Tokuichiro Tamazawa ran around to brief cabinet members and dietmen on the DA's plan to procure the UX.

Before the Committee on the Cabinet began its second session to deliberate the issue of choosing the UX, Noboru Hoshuyama, director general of the Defense Facilities Administration Agency, who had the LDP's deep trust, groped behind the scenes for areas of compromise between the DA and the LDP. Director General Tamazawa is said to have once tilted toward a proposal made by Masakuni Murakami, a LDP member of the House of Councilors, that "the government allocates necessary expenditures in the 1995 budget to procure the UX without choosing any specific model."

THE DA's Defense Policy Bureau, charged with choosing the UX, and the Budget Bureau of the Finance Ministry reacted against the proposal, leaving it adrift. At a 16 December meeting of the Defense Coordination Council of the three ruling parties, a new proposal was presented that "the government allocates expenditures in the 1995 budget to procure two Gulfstreams, but it will reassess their procurement after 1996."

Frontal Breakthrough

While reporting the new proposal to Director General Tamazawa, the DA's Defense Policy Bureau and the Air Staff Office said, "We cannot accept this new proposal." Some DA officials interpreted their refusal to accept the new proposal as their attempt to urge the DA director general to scrap the plan to procure the UX. If the director general backed down from the plan at this crucial stage, this would be taken as his admitting the existence of suspicions involving the process of choosing the Gulfstream. Speaking at the second session of the House of Councilors' Committee on the Cabinet, Director General Tamazawa stressed, "It was a just and fair choice." Thus, he still took the posture of seeking a frontal breakthrough in the issue of choosing the UX.

On 17 December, the foreign minister, finance minister, DA director general, and chief cabinet secretary reached

an agreement on procuring two Gulfstreams according to the original plan worked out by the DA. It is said that the four ministers agreed to purchase the Gulfstreams after U.S. Ambassador to Japan Mondale requested—over the telephone—the Foreign Ministry and the prime minister's office "to purchase Gulfstreams." DA Director General Tamazawa has insisted persistently on the need to procure the Gulfstreams. Many at home and abroad are taking the view that his tenaciousness cannot be overlooked in the process of choosing the Gulfstreams.

Now that the DA's original plan has been adopted, the DA has been relieved of the responsibility for choosing the UX. The DA may have saved face, but some are concerned about the future of the DA.

They say: "The DA will have to pay the price for making the ruling parties its enemies in the Diet when the DA starts the work of drawing up the next plan for building up national defense, which is to be set next year, and of reassessing the Guidelines for the Defense Buildup Plan." "The chartering of a Gulfstream plane was taken up as an issue at a Diet session, and Shinshinto might be unhappy with the Diet session having taken it up."

The agreement reached by four cabinet ministers said, "An understanding has been reached that the DA director general will decide, on his responsibility, on the choice of the UX." In this way, the agreement left three other cabinet ministers out in the cold. If another suspicion involving the process of choosing the Gulfstreams surfaces, Director General Tamazawa would face the danger of losing his political life.

Weak Points of Organization

The DA has exposed its weak points as an organization at two sessions of the House of Councillors' Committee on the Cabinet. After carrying out a perfunctory investigation, the DA has denied the suspicions that trading firms and repair companies have been engaged in collusive deals. The DA has changed the focus of the debate, saying, "The suspicions are a story of the past" when the suspicions have turned out to be true. As for the chartering of a Gulfstream plane by House of Councillors member Hideaki Tamura, the DA has persistently said, "It has nothing to do with us." There has been a development toward bureaus in the DA and the Air Staff Office uniting against outsiders while shifting blame to each other.

The DA has lacked the ability to collect information while tenaciously trying to save face. The DA also has failed to correctly decide on the point at which it should withdraw. This attitude of the DA resembles cynically that of the former Japanese Imperial Army.

Basic Stance 'Unchanged' for 27 Dec Trade Talks

OW2612064094 Tokyo KYODO in English 0616 GMT
26 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Japan and the United States will hold subcabinet-level

talks on a wide range of trade issues, including auto trade, in London on Tuesday [27 December], a senior Ministry of International Trade and Industry (MITI) official said Monday.

Sozaburo Okamatsu, vice MITI minister for international affairs, will meet with Jeffrey Garten, commerce undersecretary for international trade, for a few hours, Vice MITI Minister Hideaki Kumano told a press conference.

In addition to the stalled auto and auto parts trade talks, they will discuss information, multimedia issues and emerging markets like India and Vietnam, Kumano said.

On auto trade, Kumano said Japan's basic policy stance, such as rejection of "numerical targets" and government intervention in the private-sector's auto parts purchase plans, will remain unchanged during the London talks.

Bilateral auto talks, part of Japan-U.S. "framework" negotiations for new trade and economic ties, have been deadlocked since Washington's decision at the beginning of October to launch a probe under the retaliatory Section 301 of the 1974 U.S. Trade Law.

The Okamatsu-Garten meeting will be held one day before the former is scheduled to resign.

The resignation is part of an overall reshuffle of top MITI officials, including vice minister Kumano.

"We are determined to do our utmost to fulfill our assigned duties until the final day of our tenure," Kumano said.

Kumano is believed to have decided to step down to take the blame for a personnel scandal that shook MITI in 1993.

Former MOFA Official Discusses Ties With U.S.

OW2612005594 Tokyo ASAHI SHIMBUN in Japanese
24 Dec 94 Morning Edition p 7

[Interview with Yukio Okamoto, former Head of the North America Division, Ministry of Foreign Affairs, MOFA, by unidentified ASAHI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [ASAHI SHIMBUN] Do you think Japan should continue to attach importance to its diplomatic relations with the United States?

[Okamoto] Japan is an Asian state, both emotionally and physically, but when looking at diplomatic policy, it should seek a "third way" which is neither blindly pro-U.S. nor a complete assimilation into Asia. In the name of cooperation with the United States, Japan has so far supported every U.S. policy, or at least indicated its understanding. During the Cold War this was necessary.

However, now that that framework has collapsed, Japan should devise its own diplomatic policies, separately

from the framework of West-East confrontation. The nearer the world's diplomatic stage comes to Japan, the more the country faces issues involving its own interests. It is impossible for Japan to solve all the issues in concert with the United States.

Japan should clearly state its opinions on Asian issues. If Japan's stance remains unchanged, there is the possibility it will not earn the respect of Asian nations and yet be treated lightly by the United States. It is doubtful that Asian nations depended much on Japan during the APEC [Asia-Pacific Economic Cooperation] forums. I am afraid that Japan is sometimes unable to make a decision based on its own interests out of too much respect for the United States.

[ASAHI SHIMBUN] Do you mean Japan should shift its diplomatic emphasis to Asia?

[Okamoto] Japan's relations with the United States are based on the Japanese-U.S. Security Treaty. Therefore, if asked which relationship is more important, the answer is the one with the United States. Military superpowers still exist around Japan. The reason why Japan is able to feel easy despite being lightly armed is the fact that the security treaty stipulates that "attacks against Japan are regarded as attacks against the United States."

If the DPRK (North Korea) were to consider aiming missiles at Japan, the deterrent for them is not the Patriot missile deployment of the Self-Defense Forces on the Sea of Japan coast, but nuclear missiles in the United States, which is far from North Korea. When you then look at the question of which way Japan should insure itself, I think the Japanese-U.S. security arrangements look practical and economical after all. And there is also the growing feeling among Asian nations that China will become a threat in the next 20 years, so the view is gaining ground in the region that it is important for Japan and the United States to maintain steady relations as allied countries.

However, as the security arrangements are based on a sheet of paper, the biggest concern is whether or not the United States would really protect Japan with sufficient determination to use nuclear weapons. This is doubtful in the current political atmosphere surrounding Japan and the United States. Japan must improve its relations with the United States somehow.

Although it may sound paradoxical, I think Japan needs to pursue its own policies in Asia, taking a different approach from the United States, while keeping the same purposes as the U.S. in mind. A major step toward achieving that end is consultations with the United States. Japan ought to join the EAEC [East Asia Economic Caucus] to try to prevent it from becoming a forum which is emotionally confrontational with the United States.

[ASAHI SHIMBUN] Is there any move in the United States to review the Japanese-U.S. Security Treaty?

[Okamoto] Whenever the background to the times changes, both Japan and the United States express the idea of "attaching new significance" to the existing security treaty. This is simply a review of its "political significance," no one thinks of a revision or a review of the treaty's articles. However, Republican Congressman Jesse Helms, who promotes the idea of the "fairness of the burden" of sharing military expenses, will become the new chairman of the U.S. Senate Foreign Relations Committee in 1995. There is a possibility that Japan may be urged to shoulder a greater share of the military expenses or to provide greater manpower contributions than before. This will also affect the Japanese-U.S. relations.

Kono: Tokyo To Give Official Approval of WTO

OW2712035494 Tokyo KYODO in English 0344 GMT 27 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Japan will officially tell the General Agreement on Tariffs and Trade (GATT) on Tuesday [27 December] that it approves of the establishment of the new global trade watchdog, the World Trade Organization (WTO), Foreign Minister Yohei Kono said.

Kono told a press conference that 39 countries and areas have already approved the treaty on the establishment of the new global trade body, while 36 others are in the process of giving it their official approval.

The United States and the European Union (EU) are likely to complete procedures for their formal acceptance of the treaty before Dec. 31, he said.

The Japanese Diet approved on Dec. 8 legislation ratifying the creation of the WTO, as well as seven related bills.

The WTO is to be inaugurated on Jan. 1, after its creation as a replacement for GATT was agreed during the Uruguay Round of multilateral trade negotiations concluded late last year.

The WTO will cover not only trade in goods, but also in services and intellectual property.

As a result of the Uruguay Round agreement, Japan will reduce tariffs on mining and industrial products by 61 percent, the U.S. will cut its tariffs by 33 percent and the EU by 37 percent.

According to the GATT secretariat, the Uruguay Round accord, if implemented, will raise the world's annual income by about 510 billion dollars (some 51 trillion yen) by the year 2005.

MOFA Decides To Continue Yen Loans to Iran

OW2512113694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Dec 94 Morning Edition p 1

[FBIS Translated Text] The United States has asked Japan to suspend its yen loans to Iran. Nonetheless, the

Ministry of Foreign Affairs [MOFA] has decided to continue the yen loans to Iran in January unless the United States presents Japan with indisputable evidence showing Iran's financial assistance to radical Islamic organizations. The U.S. Government has claimed, based on circumstantial evidence, that the yen loans could be used by Iran to provide "financial support for terrorism," and in response, the Foreign Ministry deferred its decision on whether to continue the yen loans. With the Foreign Ministry deciding to continue the yen loans to Iran, the possibility has grown that the yen loans to Iran will continue after next year.

Last year, the Japanese Government resumed the yen loans to Iran after 17 years of a freeze on yen loans. At the time, the Japanese Government decided to provide approximately 150 billion yen in yen loans to Iran to finance the construction of a dam on the Karun River in southeastern Iran. The yen loans were set to be provided to Iran in three installments. The Japanese Government, which last year decided to provide approximately 38 billion yen as the first installment of the yen loans, has withheld the first installment because the United States has opposed extending the yen loans to Iran, citing the possibility that Iran may have a close relationship with Hamas, a radical organization adhering to Islamic fundamentalism.

A Foreign Ministry official says, "There has been no decisive evidence substantiating the U.S. claim." A majority of Foreign Ministry officials are in support of continuing the yen loans to Iran, saying that any further delay in the yen loans to Iran would hinder implementing the project.

'Uncertain' Visit by Russia's Kozyrev Viewed

OW2712064794 Tokyo TOKYO SHIMBUN in Japanese 25 Dec 94 Morning Edition p 3

[FBIS Translated Text] The Japanese Government invited Russian Foreign Minister Andrey Kozyrev to visit Japan in January. His visit, however, has since become uncertain. If the Russian foreign minister does not come, it will affect the Japanese Government's Russia policy. Until now, Tokyo has maintained the need for "expanded equilibrium" in the areas of politics and economics.

A Foreign Ministry source has confirmed that, as of 24 December, Russia has yet to respond to the invitation from Japan. He said the Foreign Ministry would continue to urge Moscow to go ahead with the foreign minister's visit.

At the Japan-Russian foreign ministerial talks held in New York in September, agreement was reached on a visit to Japan by Kozyrev "either in December or January next year." Japan has since urged Russia to make arrange the visit in January.

Russia is believed to have delayed in replying to the invitation because of the Yeltsin administration's preoccupation with the situation in Chechnya and its tight

diplomatic schedule, which includes U.S.-Russia foreign ministerial talks scheduled for January.

Russian Deputy Premier Soskovets visited Japan in November at the invitation of the Japanese Government and Tokyo saw his visit as a step toward improving Japan-Russia relations in the economic field. In a bid to move Japan-Russia relations forward in the political arena, the Japanese Government has attached importance to Kozyrev's visit.

If the Russian foreign minister does not make the trip there is no fear it will trigger a significant deterioration in Japan-Russia relations.

It is certain, however, that his failure to visit Japan in January will affect Japan's policy of expanded equilibrium toward Russia. If he does not come, it seems likely the Japanese Government will be forced to rethink its strategy.

Major Firms To Study Projects in Russian Far East

OW2312140294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Dec 94 Morning Edition p 1

[FBIS Translated Text] With such major trading houses as Mitsui & Co., Ltd. and Nissho Iwai Corporation taking the initiative, Japanese firms will start feasibility studies on four proposed projects, including infrastructure improvement, in the Russian Far East. The projects include the modernization of a harbor in the Maritime Kray and the construction of the coal transportation line in Sakhalin. The total project cost reaches approximately \$2 billion. It is expected that construction and transportation firms also will take part in the projects via the Japan-Russia Economic Committee [JREC], which is an organ of the Federation of Economic Organizations of Japan [Keidanren]. This is the first time that Japanese firms in various fields tie up in the proposed projects, to which they plan to apply public funds of such organizations as Export-Import Bank of Japan [EIBJ]. Starting in 1995, the Japanese companies will hold talks with the Russian side to discuss details of the projects, with the aim of completing the projects early in the next century.

The four projects were chosen from 16 projects proposed by the Maritime Kray, Khabarovsk, and Sakhalin.

In the Maritime Kray, a feasibility study will be conducted on two projects—improvement of the Hasan [place-name as transliterated] Port and development of the Aleksay Nikorisk [place-name as transliterated] coal mine. The Hasan Port is located in the delta area of the Tumen River on the North Korean border. Projects in this area are backed up by the United Nations Development Program, and attention has been paid to the Pacific-Rim economic sphere. If harbor facilities are modernized, soybeans produced in the northeastern area of China can be transported to Japan.

In Khabarovsk, a feasibility study will be conducted on the improvement of the Vanino [place-name as transliterated] Port. What draws investors' attention is that the port is connected by a railroad network to European Russia. Through the project, the Khabarovsk side plans to make the port an export base by improving shipment facilities for such goods as metal, lumber, and food.

In Sakhalin, a feasibility study on a project of increasing the output of the Uguregolsk [place-name as transliterated] coal field, located in the central area of the Sakhalin, and improving transportation railroad and constructing a shipping port will be carried out. Although the estimated amount of coal deposits is over 3 billion tons, actual output is less because of a delay in constructing a transportation line. The Khabarovsk government plans to export coal to Japan while using it as generator fuel.

It is expected that a project team composed of member-companies of the JREC will be formed for each project. The JREC plans to ask Mitsui & Co., Ltd., Nissho Iwai Corporation, Itochu Corp., and Marubeni Corporation to take a lead in promoting the projects. On the financial aspect, the JREC plans to introduce public funds from such organizations as the EIBJ and the European Bank of Reconstruction and Development (EBRD).

Article Views Tokyo Stance on Yen Loans to PRC

OW2412065994 Tokyo ASAHI SHIMBUN in Japanese
23 Dec 94 Morning Edition p 11

[By editorial staff writer Atsushi Yamada]

[FBIS Translated Text] After intense negotiations with Beijing, Japan recently decided on the amount of its fourth set of yen loans to China, which is 43 percent more than the third set of loans in terms of the average amount of loans to be provided annually. The Foreign Ministry said: "The amount should be acceptable for the Japanese people." However, it has not explained the grounds for its decision on the amount. The government had initially planned to observe Japan's guidelines in extending official development assistance [ODA] in connection with China's nuclear testing. However, facing Beijing's opposition to the "linkage of politics to the extension of ODA," it only sought China's understanding of Japan's sensitivities over the issue. Without adjusting its economic diplomacy of placing importance on the expansion of aid to China to the "spirit of peace diplomacy" that indicates aid principles, the government has decided on providing large yen loans to China.

In deciding on the new set of loans, the government took into account the need to promote friendly relations with China and the balance between aid to China and that to ASEAN (the Association of Southeast Asian Nations). To maintain friendly ties between Japan and China, the amount of yen loans has to be satisfactory to Beijing. A senior Foreign Ministry official said: "The bilateral

relations will worsen if Japan offers an amount unsatisfactory to China." Beijing initially asked for 1.5 trillion yen [Y] for a five-year period. But it later lowered the request to Y700 billion for a three-year period. The two countries then argued over whether Japan should provide yen loans amounting to Y600 billion. At that time, the negotiations were promoted at China's pace.

The government's traditional stand was that "the amount of yen loans to China should not exceed that to Indonesia, the largest aid recipient," to maintain an adequate balance between aid to China and that to the ASEAN countries. With the latest package of yen loans, China now ranks first on the list of Japan's aid recipients. There are two factors responsible for the change.

Indonesia, troubled over the repayment of past yen loans, recently has not sought much financial aid from Japan. The amount of yen loans to the country is even declining. Other Asian countries, including Malaysia, have also gradually reduced the amount of yen loans they receive from Tokyo. Unless China obtains yen loans, Japan will fail to carry out its international pledge to increase the amount of its financial aid to other countries to about \$75 billion in five years, or by 1997. Thus, Tokyo requires that other countries obtain yen loans.

Meanwhile, there is a prevailing view within the government that financial aid to China is necessary in view of Japan's long-term security program. China will become unstable if it fails to narrow economic gaps between inland China and coastal regions, and between cities and farming areas. Many people urge the government to actively provide financial aid to Beijing, thinking that China's economic infrastructure needs to be improved for Japanese companies to make inroads into Chinese markets. In such a situation, the spirit of ODA guidelines falls into oblivion.

BOJ Expects 7.21 Trillion Yen Net Surplus

OW2712045794 Tokyo KYODO in English 0411 GMT
27 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—A net liquidity surplus of 7.21 trillion yen is expected in the banking system in January, up from 4.00 trillion yen posted a year before, the Bank of Japan [BOJ] said Tuesday [27 December].

The projected surplus—excluding government bond issuance—stems from 6.4 trillion yen in net cash inflow and 3.15 trillion yen in net inflow through bond redemption, the central bank said.

Net inflows of fiscal funds are expected to total 810 billion yen, compared with last January's 1.59 trillion yen shortage, partly because of receipts from income tax cuts and welfare insurance premiums, it said.

The outstanding cash balance is estimated to post a year-on-year growth of 2.9 percent at the end of January,

with funds expected from winter bonuses provided in December, as well as those for year-end settlements, it said.

Discount Rate Unchanged at 1.75 Percent

*OW2712085994 Tokyo KYODO in English 0811 GMT
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Bank of Japan [BOJ] Governor Yasuo Matsushita confirmed Tuesday [27 December] that the central bank will keep the official discount rate unchanged at 1.75 percent for the time being.

Matsushita stated the central bank's basic monetary policy during Japan's current economic and price situations in an interview with KYODO NEWS SERVICE.

Assessing the economic situation, Matsushita said, "Our judgment that the economy is moderately recovering remains unchanged."

"The issue is how far private capital investment can beef up the economy's energy for self-recovery," Matsushita added.

He said companies remain uncertain about the outlook as financial systems are still only half way to overcoming the aftermath of the collapse of "bubble" economy.

"The attitude toward corporate investment is generally cautious," he said.

Asked about the timing for policy change from the present soft monetary stance, Matsushita said, "I think we should maintain the current stance to consolidate ongoing adjustment efforts in the private sector and stable prices."

"Afterward, we should make an appropriate judgment in line with progress in the economy," he said.

He said the key rate cut in September last year was not "an emergency step but medium-and long-term policy measure" to attain noninflationary sustained economic growth.

Regarding the relationship between stable management of financial institutions and monetary policy, Matsushita said the central bank will not maintain interest rates from a viewpoint of their balance of nonperforming debts.

There will be no problem if increased burdens resulting from higher interest rates on financial institutions suffering bad loans are offset by favorable factors such as increases in lending on the back of activated economic activities, he said.

Looking back on the bubble economy, Matsushita said, "Long-term monetary relaxation, as well as centralization of functions in the metropolitan area and tax and legal systems, led to the start of the bubble."

There was excessive easing on a broad front at that time, Matsushita said, adding he was then in the private sector.

"I will make efforts to use experience and lessons learned before and after the bubble economy as food for policy management," Matsushita said.

Turning to the rescue of two ailing Tokyo-based credit unions, Matsushita said it was a measure to stabilize the financial system and not just aimed at salvaging the individual financial institutions.

Matsushita also stressed the need to establish the principle of self-responsibility, including for depositors.

Calling for further disclosure of management data, Matsushita said the central bank will encourage efforts to improve the environment for disclosure.

Asked about review of the present floating exchange rate system, Matsushita said, "Artificially confining exchange rate fluctuations to a limited range may cause confusion with massive capital flows, threatening the stability of Japan's economy itself."

"I think the practical measure for the time being is to minimize exchange rate fluctuations as much as possible on the assumption of the current economic environment," he said.

Business Leaders Air Complaints About Deregulation

*OW2712021194 Tokyo MAINICHI SHIMBUN in
Japanese 24 Dec 94 Morning Edition p 9*

[FBIS Translated Text] The government plans to formulate a deregulation promotion plan (for 1995-1999) by the end of March, saying it cannot put off deregulation any more. But what do the top executives of businesses think about it? Some of them were brazenly self-centered and "supportive of it generally, but unsupportive of it specifically," while others were hopeful, expressing "strong expectations that it will produce a display of political leadership." We have asked some executives for their views.

Tatsuro Toyoda, president of Toyota Motor Corporation—Procedures Relating to the Garage Law Should Be Revised

I hope the Garage Law procedures are revised. The documents which have to be prepared and submitted for permits differ depending on which police station they are submitted to. Dealers also have to take very complicated steps. In addition, provisions in the Building Standards Act mean that not enough parking space can be secured for apartments. The related regulations should be simplified and made uniform.

Fumio Sato, president of Toshiba Corporation—Specific Vision Is Lacking

Once it starts, usage of such technology as video on demand (VOD), spreads very fast in a country like the

United States. But in Japan there are so many problems blocking it (such as the problem of permission to lay cables). Prime Minister Murayama has not presented a specific vision of what will be deregulated and how deregulation will be carried out.

Minoru Makihara, president of Mitsubishi Corporation—The Question Is Whether They Have the Resolve To Carry Out Reform

As an example, take distribution. If major reform is done on that industry, many people will be hurt, and so bureaucrats oppose it. Politicians and the government should be able to overcome that opposition. If the government has no resolve nor the capability to do it, it cannot wield the axe nor save any injured people. I give Prime Minister Murayama a good score for his ability to deal with realities. But as far as his resolve in carrying out reform is concerned...[sentence unfinished]. Ministries and Agencies Engage in Turf War

There are "good" regulations and "bad" ones. A typical example of a "bad" one is the regulation which prevents urban redevelopment areas from being redeveloped. The government has no definite viewpoint on how 30 million people should live together in a city. Deregulation exists in name only, pushed around by the turf wars of ministries and agencies, and the selfish interests of local government offices. Government leadership is needed.

Toshimine Kobayashi, president of Nichii Company—They Should Be for 'Promotion of Competition'

The Federation of Economic Organizations of Japan [Keidanren] as well as the Japan Chain Stores Association say that the Large Store Law should be abolished. But it will not be enough only to get rid of that law, because local governments might try to impose their own controls on new stores opening. We need to change the framework of the current laws and the way they are heavily weighted in favor of protecting only existing stores. They should be changed to help "promote competitiveness."

Takashi Imai, president of Japan Steel Corporation—We Need a Rule To Keep Prices at Appropriate Levels

We must create the conditions necessary to stabilize prices of products at appropriate levels. As happened in the securities industry, some companies will collapse if regulations are eased in the steel industry. Some think that if we are left with only a few companies prices will rise. We can prepare regulations to prevent prices from rising.

Government To Map Out New 5-Year Economic Plan

OW2612022694 Tokyo KYODO in English 0154 GMT 26 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Prime Minister Tomiichi Murayama on Monday [26

December] endorsed a proposal to draw up a new five-year economic plan to replace the current five-year plan, with a view to relaxing economic regulations to promote economic activity.

The proposal, originally put forward by Finance Minister Masayoshi Takemura and presented by Economic Planning Agency Chief Masahiko Komura, follows slower-than-targeted economic growth in the past few years under the current five-year plan.

The current plan calls for an average growth target of 3.5 percent in real terms between fiscal 1992 and 1996, but the prolonged economic slump has prevented the target being met.

Murayama will ask his advisory panel, the Economic Council, next month to hammer out a new five-year plan in view of recent economic developments such as the yen's appreciation and the subsequent change in the nation's industrial structure, government officials said.

In drafting the new plan, which is likely to start next fiscal year, the council is also expected to focus on the aging of society and a trend among Japanese families toward having fewer children.

The council is expected to present the new plan around next summer, the officials said.

Mieno, Ushio Discuss Future of Economy

Part I of Interview

OW2212122394 Tokyo MAINICHI SHIMBUN in Japanese 13 Dec 94 Morning Edition p 9

[Interview with Bank of Japan Governor Yasushi Mieno and Ushio Inc. Chairman Jiro Ushio by Koji Hashimoto, chief of the Economic News Department of MAINICHI SHIMBUN; first in three-part series entitled "Talking About the Japanese Economy"—place and date not given; first paragraph is MAINICHI SHIMBUN introduction]

[FBIS Translated Text] The Japanese economy is now entering the phase of recovery after bailing out of a prolonged recession at last. Nonetheless, the aftermath of the bubble economy has lingered to the present day and the pace of the economic recovery is still slow. There are a host of issues that Japan must resolve and they include the hollowing out of industry caused by the appreciated yen, the structural shift from the export-oriented economy to an economy driven by domestic demand, employment, and the issue of restructuring the economy. MAINICHI SHIMBUN has interviewed Bank of Japan Governor Yasushi Mieno and Ushio Inc. Chairman Jiro Ushio to ascertain their views on how the Japanese economy should be rebuilt.

[Hashimoto] Many are deeply concerned about the future of Japan in the aspects of technology and production. What are your comments?

[Ushio] It is almost impossible that Japan will continue its past high growth. In the past ten years, the yen appreciated from 250 yen per dollar to around 100 yen per dollar. It is good that Japan's currency became stronger, but what is at issue is that the yen appreciated by as much as 20 yen to the dollar over the past one or two years, causing apprehension within the Japanese business community about their ability to deal with the appreciated yen.

In addition, changes have been taking place in the structure of the Japanese economy since 1985, and those changes mean a shift from production to service and information, and another shift from exports to the expansion of domestic demand. The bubble economy, however, set back the trend of these changes. The bubble economy played a key role in boosting business performance, thereby leading business executives to misunderstand that their conventional way of doing business is correct. As a result, things that had to be changed have been left intact.

[Mieno] I cannot agree with the pessimism about the future of Japan's economy. At present, many are talking about the hollowing out of the manufacturing industry, and it is certain that the hollowing out has been caused by the appreciated yen. But the hollowing out of the manufacturing industry has not begun abruptly. The hollowing out, or the relocation of production by the manufacturing industry to foreign nations, has been underway for a long time.

In the short run, the relocation of production by the manufacturing industry to other nations will entail considerable pains, including the pain of laying off employees. In the long run, however, this move means that the international division of work has been taking place where the Japanese manufacturing and assembly of labor-intensive parts are moved to other Asian nations and capital goods necessary to manufacture the parts and precision parts are manufactured in Japan.

This international division of work will benefit not only the Asian economy, but the world economy. The Japanese economy is entering a new development phase while building a more efficient production system. I, therefore, believe that the relocation of production by the manufacturing industry to other nations is not the process of hollowing itself out, but the process of sophisticating itself.

[Ushio] I agree with your views. What is at issue is that costs in Japan are so high that Japanese industries are unable to weather their hollowing out and produce high-value-added goods for their survival. The primary cause of the high costs are wages. The wages keep prices sky high. If Japan's average wage is set at 100, that of the United States is 50 and that of Europe is 30. The average wage of Asian nations would be five or three. These wage differentials are extremely wide in denomination of the dollar. Efforts have to be made to narrow the price differentials between Japan and other industrial nations.

In order for Japanese industries to manufacture and produce goods freely both in Japan and in other Asian nations, the current regulations must be relaxed. If the regulations are relaxed, the Japanese industries will be able to survive while moving their production offshore.

[Mieno] Japan's economic policies should create a climate for the market economy to reform itself. If they fail to create that climate, nothing can be done. The bold relaxation of regulations is needed to create such a climate and Japan should aim to build a highly open market and economy. It is also important that the government and the Bank of Japan stabilize the climate for macroeconomic development.

[Hashimoto] While prices in Japan are still high, the price differentials between Japan and other industrial nations remain wide. What are your opinions?

[Ushio] In the United States, an agreement has been reached in the course of debating how to bring prices down. The agreement is that the prices cannot be brought down without lowering the living standard. In Japan, however, prices of unimportant goods have fallen, whereas those of important goods have not fallen. Prices of food remain still high.

[Mieno] Your comment is right. The question is that prices of goods that have to fall, should fall.

[Ushio] Prices of clothing, housing, and food in other industrial nations are far cheaper than in Japan. The government should do everything in its power to hold down the prices of clothing, housing, and food. The private sector should help the government hold down the prices.

[Mieno] As for the high prices in Japan, I believe I would rather say that a price revolution should occur in order to lower the high prices. There are various ways to lower the high prices. One of the ways is to rectify the abnormal prices shaped by the bubble economy. Another way is to bring down the high prices when the supply and demand remains lackluster in deflation caused by the economic stagnation.

The imports of cheap goods from other Asian nations can drive down the high prices in Japan. The production and distribution should be streamlined to drive down the high prices. This is a very important point.

Needless to say, these ways have a deflationary impact. If the deflationary impact is serious, it can be dealt with by a macroeconomic policy. The price revolution can sow the seeds of a new economic dynamism. What is important is how to make the seeds bud and grow.

Part II of Interview

OW2212130694 Tokyo MAINICHI SHIMBUN in
Japanese 14 Dec 94 Morning Edition p 8

[Part II of interview with Bank of Japan Governor Yasushi Mieno and Ushio Inc. Chairman Jiro Ushio by

Koji Hashimoto, chief of the Economic News Department of MAINICHI SHIMBUN]

[FBIS Translated Text] [Hashimoto] Why can the venture business that is seen in the United States not take root in Japan?

[Ushio] Sixty percent of the problems lie in the ability of venture business leaders. They impute their failure in nurturing venture businesses in Japan to regulations. But when we look at Messrs. Soichiro Honda, Masaru Ibuka, and Konosuke Matsushita, we can see they became big when there were no prospects for business after the war.

[Mieno] In promoting ongoing deregulations, it is necessary to carry out deregulation that can stimulate the spirit of entrepreneurs, such as deregulation in the housing and communications businesses, which are the highlight of the Hiraiwa Report of the Economic Reform Council. Without carrying out deregulations in those areas it is meaningless to increase the number of deregulations to 10,000 to 12,000 for other business areas.

[Ushio] It is necessary to set up a clear goal. To cut prices of living necessities, the government can establish a goal of expanding imports and easing regulations that impede efforts to expand imports.

[Mieno] Without the business leaders' entrepreneurial spirit, Japan would not have seen such economic development after the war. What supports market dynamism is the spirit of entrepreneurs. Although business leaders' entrepreneurship seems to be weakened following the collapse of the bubble economy, they can bestir themselves.

[Hashimoto] Promoting deregulation is important, but it involves the employment issue.

[Ushio] Restructuring and reengineering will go in the direction of cutting employees. In the manufacturing industry, 2 million to 3 million workers are expected to lose their jobs in the next 10 years. Meanwhile, the same number of workers in the distribution industry will lose their jobs.

If consumer spending is cut by 20 percent from Y300 trillion, disposable income will increase by Y60 trillion, of which Y10 trillion may be sent to savings. When the remaining Y50 trillion are used for service industry, which has a high employment rate, it would be possible to create jobs for 6 million to 10 million people. Therefore, in 1990's, as a whole, loss of jobs will be covered by creating new jobs. There may be a two or three-year time lapse in making up for lost jobs, and the responsibilities lie with the politicians, administration, and economy.

[Hashimoto] Do you mean friction in such a time lapse period is inevitable?

[Ushio] It may be inevitable. However, when I look at the issue from the viewpoint that the labor force will

decrease by the year 2000, I am rather concerned about the possibility that a move toward importing labor from foreign nations will emerge.

[Mieno] When one nation's economy is in the stage of development, it is natural that more importance will be attached to service and nonmanufacturing industries than manufacturing industries. As living standards rise, people shift their interest from materials to such areas as information, medical care, and welfare.

I do not think upgrading Japan's industrial structure will go smoothly. However, in the past, Japan's economy tided over many difficulties, and when it was about to collapse, new, unexpected industries emerged.

I do not think we can create such new industries right now, but there is potential. I am not optimistic about the employment situation, but I think we can tide over employment problems.

Part III of Interview

OW2212131494 Tokyo MAINICHI SHIMBUN in Japanese 15 Dec 94 Morning Edition p 10

[Part III of interview with Bank of Japan Governor Yasushi Mieno and Ushio Inc. Chairman Jiro Ushio by Koji Hashimoto, chief of the Economic News Department of MAINICHI SHIMBUN]

[FBIS Translated Text] [Hashimoto] What is the prescription to reduce Japan's current account surplus?

[Mieno] There are two factors in causing Japan's current account surplus and they are the economic cycle and the long-term trend caused by the balance of savings investment. As for the economic cycle, prospects are finally seen for the macro financial and monetary policy to deal with it. As for the long-term trend, however, if an attempt is made to use only macro policy to deal with it, this would fuel inflation.

A slow approach must be taken to carrying out those policies and it is necessary to pursue a long-term policy aimed at increasing investment. As concrete measures to deal with those factors, the regulations must be relaxed and the social capital must be increased. Another concrete measure is to streamline financial capital markets. An infrastructure must be created where the investment can be made smoothly. In other words, financial and monetary markets must be streamlined to make it easy for enterprises to raise and manage funds safely.

[Ushio] Changes are taking place in the social background that is responsible for Japan's long-term surplus. The Japanese economy is certainly shifting from the export-oriented one to a service-and-information-oriented one. The Japanese economy is shifting its priority from corporations to individuals and households. During the bubble economy era, the corporations dominated the Japanese economy. Now, the individuals

are about to dominate it. Therefore, investment by the individuals and households will grow.

[Hashimoto] Is the liberalization of financial capital markets still far off?

[Mieno] One of the major functions performed by the monetary system is to provide the settlement service smoothly. The Bank of Japan has been making extraordinary efforts for this purpose. The monetary system must improve its credit intermediary function which once broke down during the bubble economy era. To this end, the monetary system should first liquidate bad loans. The monetary system needs to deal vigorously with the issues of internationalization and liberalization.

[Ushio] All business executives should stop both reading each other's faces [yokonarabi] and following precedence. If the business executives stop doing these things, they will be able to do almost anything. Although the relaxation of regulations is important, it is necessary to devise more concrete measures to relax them. In the United States, the generally held view is that regulations are abolished after new rules are put into effect. In the case of Japanese financial markets, a blueprint for new financial markets to be put into operation five or six years later should be made public after the current regulations on them are relaxed or abolished.

[Hashimoto] Do you think that the outlook for the Japanese economy is bright?

[Ushio] My view is that the Japanese economy will go well. By the way, please, go to Europe. People there would tell you that they cannot understand why Japanese are only speaking loudly of measures to deal with business difficulties arising from the appreciated yen.

[Mieno] It is certain that they wonder why the Japanese are so worried about the appreciation of their currency.

[Ushio] Europeans would buy more foreign assets if their currencies appreciated (laughing). How will the expansion of Japan's imports affect the current economic recession? Will a situation be created where a fall in prices is a plus to the real economic growth rate, but is a negative on the nominal economic growth rate? These questions still remain unanswered.

[Mieno] It is necessary to keep an eye on those questions. The business earnings as a whole show a steady recovery. While there is the issue of restructuring the Japanese economy, various moves are afoot amid changes taking place in the structure of the Japanese economy. Efforts should be made in a good direction toward changing the structure of the Japanese economy.

What is most important is the enthusiasm of enterprises. Markets should be dynamic to boost their enthusiasm and all things standing in the way of making the markets dynamic should be removed. In other words, a climate should be created for building an inflation-free and stable economy.

[Ushio] Japanese enterprises never shy away from doing business, and this is a particularly Japanese phenomenon. Japanese enterprises could buy American companies after selling off half of their own factories and then enjoy the profits and stay away from the business, but Japanese enterprises have never dreamed of doing this. American corporations would do this as a matter of fact. Japanese workers will continue to work hard at their factories to the end. Japan will win if the present situation continues because Japanese are diligent.

MOFA's Views on Countries' Political Situations

OW2412050294 Tokyo MAINICHI SHIMBUN in
Japanese 23 Dec 94 Morning Edition p 2

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA], in a report reviewing the past year, said: "In 1994, while there were continued moves to probe for a new international order to serve in the post-cold war world, many major countries, with so many domestic issues of their own, have tended to look inward." The report, entitled the "Review and Outlook of International Situations," was issued on 22 December.

In 1995, the report said, the nations to watch are: China, where the Deng Xiaoping era will end; the DPRK (North Korea), where the Kim Chong-il regime will come into place; and Russia, where reform is underway.

According to this report, as far as global-scale issues are concerned, the main events for this year include the progress made in the reform of the United Nations, including the reorganization of its Security Council and preparations to launch the World Trade Organization (WTO) in January next year. In regional developments, the report took note of the growing importance of the ASEAN region forum which started this year, as well as the Japan-U.S. security system. The report also referred to the expansion of NATO's functions. With respect to economics, it discussed developments in regional integration and cooperative relationships, as represented in the holding of the Asia-Pacific Economic Cooperation (APEC) forum and the signing of the North American Trade Agreement (NAFTA).

Writing about the problems of emerging regional conflicts, it noted that while this year witnessed progress in peace efforts in the Middle East and an end to the racial discrimination policy in South Africa, it also witnessed continued war in Bosnia, a civil war in Rwanda, and a conflict in Chechnya. The report said: "With ethnic, religious, and territorial issues involved in them, it will not be easy to resolve the problems."

The report expressed concern about the problem of the proliferation of the weapons of mass destruction, including the smuggling of nuclear substances, saying "the danger of this happening in the former Eastern countries is growing." But the report also took note of welcome signs in respect shown in Ukraine's joining of

the Nuclear Nonproliferation Treaty (NPT) as well as the enforcement of the first Strategic Arms Reduction Treaty (START-I).

While noting that the moves of North Korea have been a "matter of most concern" to the MOFA, the report said the reaching of an agreement between the United States and North Korea "marked an important step toward resolution" of issues. The report also said "the question now is how it can be made certain that they implement the agreement." On the Kim Chong-il regime coming into power, the report's view was that "ground-laying work for it is now underway."

With respect to domestic situations of countries, the report wrote that "the trends of countries wanting change in their politics are evident throughout the world." As for the United States, as a result of the Democratic Party's big defeat in the U.S. midterm elections, the report predicted, the tendency of looking inside will grow in that country.

Editorial Urges Review of Defense Program Outline

OW2612114394 Tokyo MAINICHI SHIMBUN in Japanese 20 Dec 94 Morning Edition p 3

[Editorial: "Promote Disarmament by Reviewing the National Defense Program Outline"]

[FBIS Translated Text] It has been decided that the defense budget for the next fiscal year will increase by only 0.855 percent over that of this year.

This percentage is not only lower than the 0.9 percent ceiling set at the time of the budget request, but is also lower than the 0.87 percent agreed upon at the ruling coalition parties' defense liaison meeting. New contracts for major weapons systems will also be cut by 6.5 percent, compared to FY 94.

With this, the defense budget growth will go below 1 percent for two consecutive years, after the same thing happened during the Hosokawa administration.

After the end of the Cold War, the advanced nations have taken the lead in disarmament. The situation around Japan has also changed extensively. The disintegration of the former USSR, and the substantial reduction in the military capability of the former Soviet forces in the Far East should be clear to anyone. Thus, the present step taken by Japan to reduce defense spending is but a matter of course. Albeit a very small step, Japan can be said to have taken the first step toward disarmament.

During coordination sessions among the ruling parties, the Liberal Democratic Party [LDP] and the Defense Agency [DA], which argued that a growth rate equivalent to the 0.9 percent ceiling should be implemented, and the Social Democratic Party of Japan [SDPJ], which

advocated further reduction in order to demonstrate the significance of the Murayama administration's assumption of power, clashed.

Within the SDPJ, there was mounting dissatisfaction with the fact that, while the SDPJ has provided the prime minister for the coalition government of the LDP, SDPJ, and Sakigake [Harbinger], and has gone as far as accepting the constitutionality of the Self-Defense Forces [SDF], it has always had to make concessions to the LDP, and has not been able to give expression to the SDPJ's unique identity. It is said that such discontent is also one of the factors aggravating the upheaval of the group of SDPJ middle-of-the-roaders and rightists, the New Democratic League, which threatens to leave the party, but which has so far not yielded any concrete results.

When Prime Minister Tomiichi Murayama declared at the 18 December SDPJ national convention of deputies that, "The defense budget will be reduced as much as possible, and frontal equipment will be cut by as much as 5 or 6 percent as a step toward disarmament," he partly meant to restore the party's unity by compressing the defense budget.

Nevertheless, we regret to say that we are not totally happy with the decision on the defense budget.

The reason is, a clear mid-and long-term vision for disarmament in the future is absent in the government and among the ruling parties. The whole process was nothing but a series of maneuverings over fractions of a percent.

Nothing has been said about the direction and outline of defense policy—for instance, what is the role of the SDF in the post-Cold War era? What to do with the concrete program of equipment procurement? And how to view Japan's security setup, including the Japan-U.S. security arrangements? An illustration of this is the issue of selecting the next generation multipurpose support aircraft (UX). The government has decided to purchase two U.S.-made jet planes. However, the reason for the confusion in the decision process was complaints about the lack of transparency in the selection procedures, and serious doubts about the necessity of purchasing such expensive large business jet planes in line with the question of what should be the future policy of defense buildup.

Present defense buildup efforts are based on the "National Defense Program Outline" drew up in 1976 and the five-year mid-term defense buildup programs deriving from the "Outline."

During the Hosokawa administration, there was clamor for a review of the "Outline" because it was thought to be inappropriate for the post-Cold War era. Consequently, the "Defense Issues Council" was created as an advisory body to the prime minister, and the council gave Prime Minister Murayama an interim report in summer.

Next year will be the last year of the current mid-term defense buildup program. The immediate question is what to do with the next mid-term program. In that sense, time is running out. The prime minister should step up deliberations in the DA, complete the review of the "Outline" as soon as possible, and decide on a new security and defense policy that is responsive to the post-Cold War period.

At the same time, further efforts at confidence building measures with Russia and other neighboring countries should not be forgotten. Such efforts will serve to further secure the process toward disarmament.

Final Ministerial Budget Negotiations End 24 Dec
OW2412094294 Tokyo KYODO in English 0928 GMT 24 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—Final ministerial budget negotiations ended Saturday [24 December] with a proposed increase in fiscal 1995 growth for overseas aid to 4.0 percent from a draft 3.2 percent and an unchanged 0.855 percent rise in defense outlays, ministers said.

But the Official Development Assistance (ODA) budget still faces record-low growth for fiscal 1995 starting April 1, along with defense spending.

Finance Minister Masayoshi Takemura agreed on the revision in his ministry's draft budget in separate negotiations with Foreign Minister Yohei Kono and Defense Agency Director General Tokuichiro Tamazawa.

The draft budget was presented Tuesday to kick off negotiations from working-level and subcabinet level up to top government sessions before the adoption of a final plan Sunday to begin drafting budget bills.

After the negotiations, Kono told reporters he insisted again that an ODA growth of at least 4 percent is necessary to show Japan's "international contributions," thus leading to a compromise to add 3.2 billion yen to the draft ODA budget to 1.11 trillion yen, up 4.0 percent from the initial fiscal 1994 budget.

The additional outlays include 3 billion yen to help reforming nations, and the remainder for grants to improve medical, sanitary, educational and other conditions in developing nations, a Foreign Ministry official said.

But the revised ODA spending still marks a record-low growth undercutting a 4.8 percent rise in the current year.

Meanwhile, Finance Ministry officials in explaining the austere draft budget plan Tuesday, said the ODA budget must be curtailed in line with overall budget cutbacks under the tight fiscal conditions.

Internationally, Japan has already reached a high level of foreign aid, being the world's top ODA donor in dollar

terms for three consecutive years up to 1993, while other major donor countries are reducing their aid, they said.

There are also limits to the recipient countries' capacity to absorb large amounts of aid, the officials said, noting ODA expenditure will grow in dollar terms because of the yen's appreciation.

Kono stressed that Japan's commitment to maintaining high ODA growth "will receive high credit" from other nations.

On defense spending, Tamazawa told reporters that Takemura agreed on a tiny addition of 17 million yen to living-related areas such as housing, lifting overall defense spending to 4,723.6 billion yen.

But the closely watched growth rate is unchanged at a 35-year low of 0.855 percent when rounded up.

Cutbacks in weapon and other actual defense outlays were left unchanged from the draft budget, including a 6.5 percent cut in front-line weapons, such as tanks and jet fighters, to 825.0 billion yen on a contract basis.

But the small decline in defense growth from 0.9 percent in the current year reflected the political dilemma of socialist Prime Minister Tomiichi Murayama calling for disarmament and his Liberal Democratic Party allies siding with the defense agency to hold the line on cuts.

In reality, the defense budget does not reveal much of a split since outlays as a proportion of gross national product are at 0.949 percent, only a hair higher than the 0.948 percent for the current year.

Cabinet-Endorsed FY95 Draft Budget Highlighted
OW2512060994 Tokyo KYODO in English 0545 GMT 25 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—The following are highlights of the 70,987.12 billion yen general account budget plan adopted Sunday [25 December] by the Japanese Government for fiscal 1995, which starts April 1.

Defense

—Growth in defense expenses was cut to a 35-year low of 0.855 percent at 4,723.6 billion yen.

Economic Cooperation

—Expenses for Official Development Assistance (ODA) posted a record low growth of 4.0 percent at 1,106.1 billion yen.

—About 8.2 billion yen is earmarked for the initial year of the peace, friendship and exchange initiative designed to promote mutual understanding with other Asian nations on the occasion of the 50th anniversary of the end of World War II.

Public Works

- Expenses for public works projects rise 4.0 percent to 9,342.3 billion yen.
- Low-interest loans by the Housing Loan Corp. Were offered for 630,000 houses.
- 26.9 billion yen, up 44 percent, was earmarked for railway lines for the Shinkansen Bullet Train.
- Up to 30 billion yen in soft loans to encourage construction of optical-fiber communications networks.

Agriculture

- 107.1 billion yen was earmarked for the initial year of the 6.01 trillion yen agricultural package to assist farmers affected by market opening under the Uruguay Round global trade pact.

Social Security

- Expenses for social security increased 3.3 percent to 13,924.4 billion yen.
- 599.4 billion yen was allocated for a new 10-year "gold" plan to improve social welfare for the elderly.
- 18 billion yen was earmarked for urgent child care measures.
- 0.3 billion yen was provided to help Japanese left behind in China after World War II return to Japan for short visits every year.
- 0.5 billion yen was provided to set up private funds for former comfort women.
- 2.1 billion yen was allocated to V systems [as received] for work leave to care for ailing family members or for maternity or child care needs.

Education

- Government subsidies to private schools other than universities increased 4.9 percent to 66.6 billion yen, while those to private universities rose 2.6 percent to 280.35 billion yen.

More Details on Endorsed FY95 Draft Budget

OW2512060194 Tokyo KYODO in English 0541 GMT
25 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—The Japanese Government endorsed an austere fiscal 1995 budget Sunday, marking the first decline in the budget in 40 years under tough tax revenue conditions.

The draft general account budget for fiscal 1995 starting in April totals 70,987.12 billion yen, down 2.9 percent from the initial fiscal 1994 budget, marking the first decrease since the 0.8 percent fall in 1955.

General-operating expenditures—the core spending in the general account—are set at 42,141.74 billion yen, up 3.1 percent from the year before.

After discounting special factors such as obligatory expenses for the upper house election and the nationwide census, however, real growth in the expenditures stands at about 2.2 percent, down from the 2.3 percent rise in fiscal 1994.

Outlays for the ordinary investment and loan program—the core of the overall program known as "the second national budget" or "zaito" in Japanese—comes to 40,240.1 billion yen, rising a tiny 2.1 percent from the original program for fiscal 1994 to post the lowest growth in 10 years.

Endorsed by the cabinet of Prime Minister Tomiichi Murayama at the day's extraordinary meeting, Japan's general account budget and investment and loan program for the next fiscal year was effectively set as the total budget size seldom changes after the cabinet plan.

Since the ruling coalition parties—the Liberal Democratic Party, Social Democratic Party [of Japan—SDPJ] and New Party Sakigake [Harbinger]—hold a majority in the Diet, the budget bills are likely to be passed with few amendments after some two months of deliberations at the ordinary Diet session, which starts in mid-January.

The government draft budget said expenditures on public works will increase 4.0 percent to 9,342.3 billion yen, including a 44.0 percent jump in expenditures on construction of new bullet train "Shinkansen" and optic-fiber communications network.

Defense spending will grow 0.855 percent to 4,723.6 billion yen, posting the lowest growth pace since fiscal 1960 when the spending marked a 0.6 percent rise, in the post-Cold War era.

Spending on Official Development Assistance (ODA) will post a record low 4.0 percent increase at 11,061 billion yen, compared with a 4.8 percent growth in the initial budget for the current fiscal year.

In the face of the gradual farm-market opening from next year under the Uruguay Round accord, 107.1 billion yen will be spent on improvements of the country's farm industry for the initial year of the six-year 6.01 trillion yen farm reform package.

The draft budget suggests a government policy turnaround from economy-supporting spending to securing "sound" fiscal conditions.

"Given the super-austerity budget, we can no longer expect government finances to pull the economy in fiscal 1995," said Tatsuo Yasukawa, chief economist at Sanwa Research Institute.

Although public works spending is up by a relatively high 4 percent from the initial budget for fiscal 1994, it will

drop some 6 percent compared with the total spending for the current fiscal year including the supplementary budget, he said.

More should have been earmarked for the 10-year public works program worth 630 trillion yen starting in fiscal 1995 even through advanced issuance of construction bonds, Yasukawa said.

He criticized the allocation of public works projects, which were hardly changed, calling for more distribution to "useful" and "necessary" programs.

"The budget plan got a failing mark in terms of both the amount and content," Yasukawa said.

Makoto Kurimoto, an economist at Japan Research Institute, said there may be a limit to the effects of the 4 percent growth in public works outlays on the economy, considering additional disbursement for public investment in the past series of pump-priming packages have yet to yield effects.

Kurimoto also said he doubted the effects of agricultural spending, which he said is meant to maintain conventional systems.

He said, however, the draft budget may keep the economy from chilling further.

The government reduced expenses for debt servicing to 13,221.3 billion yen from 14,360.2 billion yen in fiscal 1994 by partly suspending annual fixed-rate transfers from the general account to the national debt consolidation fund for redemption of government bonds issued in the past, as well as by postponing debt payments as makeshift measures.

Tax grants to local governments will increase for the first time in four years, up 3.6 percent to 13,215.4 billion.

As part of makeshift measures to reduce expenditures, the government decided to postpone due repayments worth 566.3 billion yen to make up for a current account shortage posted in fiscal 1993.

As for revenues, the government estimates tax revenues in fiscal 1995 at 53,731.0 billion yen, up a tiny 0.1 percent from the 53,665.0 billion yen in the initial fiscal 1994 budget.

Japan Research's Kurimoto said, however, that figure may be overestimated, based on the government's projection of 2.8 percent economic growth for the year, which is about 1 percentage point higher than his institute's forecast.

He said the government still follows an out-of-date calculation formula, using 1.1 for elasticity of tax to national income, which has been lower than 1.1 since the collapse of the "bubble" economy and at present has fallen into the minus territory.

Under severe tax revenue conditions, the government plans to issue 12,598.0 billion yen worth of government

bonds—9,746.9 billion yen in construction bonds, the maximum annual limit under present law, and 2,851.1 billion yen stopgap deficit-covering bonds to finance tax cuts.

The government will also secure nontax revenues of 4,485.58 billion yen, including "invisible debts" of additional receipts worth 350 billion yen from the foreign exchange fund special account and 310 billion yen receipts from the state-run mandatory automobile insurance special account.

The ostensible size of the draft budget has swollen two years in a row by about 2.2 trillion yen through complicated account manipulation.

After discounting such surface growth, the fiscal 1995 draft budget will post a puny 0.3 percent rise to 68,769.7 billion yen on a real ability basis.

The "second budget" investment and loan program, which is aimed at supporting severe government finances, may not stimulate the economy in a positive sense, Kurimoto said.

The program uses funds derived primarily from state-run postal savings and pension funds to invest and extend loans mainly for housing, public works and other projects by public corporations.

The system itself has reached its limit, Kurimoto said, referring to the recent direction under administrative reform to reduce government-affiliate special corporations to which "zaito" money goes.

Yuji Kikuchi, general manager of the Economic Research Division at Bank of Tokyo, said Japan is leaning more toward monetary policy rather than fiscal policy to prop up the economy.

He said government budget plan is unsatisfying and lacks devices to stimulate the economy.

He called for further steps in administrative reform to secure funds for adjustment of Japan's industrial structure.

Restructuring the public sector is needed together with the private sector, he said.

'Nominal Increase' for Defense

*OW2512063794 Tokyo KYODO in English 0558 GMT
25 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Japan's military spending would rise a 35-year-low 0.855 percent in fiscal 1995, despite a last-minute nominal increase, under the government budget proposal approved Sunday [25 December].

The proposed defense budget of 4,723.6 billion yen retains the 6.5 percent cut from the initial fiscal 1994 budget—to 825.0 billion yen on a contract basis—in

frontline weapons spending that the Finance Ministry included in its draft budget Tuesday.

But as a result of "revived negotiations," culminating Saturday with ministers and agency directors-general trooping hat-in-hand to Finance Minister Masayoshi Takemura's office, Defense Agency Chief Tokuichiro Tamazawa got an extra 17 million yen for the construction of facilities.

That tiny change follows haggling in previous weeks down to the last 0.001 percentage point in budget growth as socialist Prime Minister Tomiichi Murayama fought to show his pacifist resolve after discarding much of his party's long-held ideology last summer.

Defense officials and the Liberal Democratic Party that dominates Murayama's cabinet fought to maintain defense budget growth as close as possible to this fiscal year's 0.9 percent.

At 0.949 percent of Japan's estimated gross national product, defense spending under the government budget proposal would remain under the psychologically important 1.0 percent threshold for the sixth straight year.

The money for such frontline weapons as tanks and jet fighters comprises 19.0 billion yen to be spent in fiscal 1995, starting in April, and 806.0 billion yen contracted for spending in later years. That brings the total later-year military contract spending to 2,974.6 billion yen, a Finance Ministry official said.

The ministry said it was further tightening such frontline spending after defense planners already lowered their five-year targets two years ago to reflect the end of the Cold War.

The budget proposal allocates a 7.8 percent increase to 274.3 billion yen to support U.S. Forces in Japan, including a 14.0 percent rise to 142.7 billion yen for Japanese personnel costs and a 32.4 percent rise to 30.5 billion yen for such expenses as light, heating and water.

The budget proposal retains from the Finance Ministry draft 32.6 billion yen for a Patriot Missile firing unit, consisting of 20 missiles, five mobile launchers, antennae and radars.

It also includes 7.2 billion yen for the purchase of two controversial new U.S.-made Gulfstream multipurpose aircraft, dubbed the "UX" but now designated as the U-4.

For Japan's ground forces, the proposal includes 20 type-90 tanks, the same number as this fiscal year but one fewer than the agency's request for next year, 24 155 mm Howitzers, the same as this year but down two from the number requested, nine multiple-launch rocket systems, the same as this year and as the request, and two antitank helicopters, the same as this year but down two from the request.

The Naval Forces get two escort ships [destroyers], matching this year's budget and the agency request, one submarine, same as this year and the request, and six SH-60J anti-sub helicopters, one more than this year but two fewer than the agency sought. The agency sought no P-3C anti-sub patrol planes where one was budgeted this fiscal year.

For the Air Self-Defense Force, the budget proposal grants five F-15 fighters, matching the request and up one from this year, and Nine T-4 practice aircraft, the same as this year but down one from the request. The agency did not seek any Boeing E-767 AWACS [Airborne Warning and Control System] reconnaissance planes, of which two were budgeted this fiscal year.

Continued Support for U.S. Bases

*OW2612083894 Tokyo KYODO in English 0830 GMT
26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—The government plans to continue paying the costs of U.S. military bases in Japan after a bilateral agreement expires next fiscal year, government officials said Monday [26 December].

Despite moves in both countries to rethink Japan-U.S. security relations, the government intends to show that its support for U.S. Forces in Japan is unwavering and it wants to strengthen the bilateral alliance, the officials said.

Negotiations with Washington to renew the current 1991 accord will start early in the New Year and are aimed at reaching an agreement by next summer, they said.

Prime Minister Tomiichi Murayama will tell the U.S. that Japan places a high priority on support of U.S. forces and the smooth operation of bilateral security arrangements, they said.

The new agreement is expected to be largely the same as the terms of the current accord, despite complaints such as one made recently by a senior Defense Agency official that the agency has been stretched thin in providing support for the Americans.

The level of support, now nearing 100 percent for some costs, will remain roughly the same, officials said. Japan is likely to comply with a U.S. request for more freedom in spending the money.

Japan's support is the most generous of any U.S. ally, a United States Embassy official said. There are 47,000 U.S. troops stationed in Japan full time and as many as 9,000-12,000 sailors of the Seventh Fleet temporarily stationed in the country at any time.

Under the 1991 agreement, Japan's share of costs including Japanese civilian personnel, light, heating and water has been risen gradually from 25 percent in fiscal 1991. In the 1995 fiscal year, beginning next April, it will reach 100 percent.

Murayama's coalition government originally halved Japan's share in the fiscal 1995 defense budget ceiling issued over the summer, but the request was revised to 100 percent in time for the government budget proposal approved Sunday.

The government budget calls for a 7.8 percent increase to 274.3 billion yen for U.S. forces, including 147.7 billion yen, up 19.7 percent from the initial fiscal 1994 budget, for the portion of such spending covered by the bilateral agreement.

Budget for Global Environment

*OW2612123894 Tokyo KYODO in English 1218 GMT
26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Japan has earmarked a total of 578.1 billion yen in the fiscal 1995 draft budget for global environmental conservation, up 5.5 percent from fiscal 1994, the Environment Agency said Monday [26 December].

The money allocated for 17 ministries and government agencies is part of the fiscal 1995 draft budget totaling nearly 71 trillion yen, which was endorsed by the government Sunday.

Of the 578.1 billion yen, 10.3 billion yen is official overseas development assistance in the field of environment protection, up 18.4 percent from fiscal 1994, the agency said.

In comparison, the amount of overall development assistance in the 1995 budget is 1.1 trillion yen, up 4.0 percent.

Nearly half the 578.1 billion yen is for the Science and Technology Agency to promote nuclear power. The money to promote nuclear power is part of 427.4 billion yen for measures to prevent global warming, up 4.0 percent from the previous fiscal year, the agency said.

Another 14.2 billion yen was earmarked to tackle acid rain, 7.1 billion yen to prevent the destruction of rain forests, 4.4 billion yen for measures against the destruction of the ozone layer, 1.7 billion yen to protect wild life and 100 million yen against across-the-border transportation of harmful substances, the agency said.

Reaction to Cabinet's Proposed Budget Reported

'Welcomed' by Ruling Coalition

*OW2512073994 Tokyo KYODO in English 0614 GMT
25 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Tripartite ruling coalition parties welcomed the fiscal 1995 budget endorsed by the government Sunday [25 December], but some Social Democratic Party (SDP) members voiced concern about the revival of influence-peddling conservative politicians.

The ruling parties—the Liberal Democratic Party (LDP), the SDP and New Party Sakigake—voiced satisfaction that mutual trust among them has been deepened through the process of compiling the budget, coalition sources said.

The 70.99 trillion yen budget was endorsed at an extraordinary cabinet session chaired by Prime Minister Tomiichi Murayama.

Some SDP members, however, expressed concern that cozy ties between LDP members and certain private enterprises and government agencies might have been revived through the work to draft the budget, the sources said.

Senior SDP officials boasted that the new budget, which held down the growth rate of defense spending from the initially proposed 0.9 percent to 0.855 percent, reflects the party's policy line.

Naoto Kan, head of Sakigake's policy board, said the new budget symbolizes the Murayama government's basic stance of fostering politics friendly to people.

Kan's SDP counterpart, Nobuyuki Sekiyama, echoed him and said it was a great achievement that the growth of the defense budget has been curbed for the second straight year by cutting into spending on frontline equipment.

But some LDP elements who have strong ties with specific industries and ministries stepped up their activities at the early stage of budget compilation where special tax breaks were reviewed, drawing criticism from SDP and Sakigake members, the sources said.

They said the revival of influence-peddling politicians may develop into a major source of confrontation among the coalition in the future.

Opposition Parties Criticize

*OW2512093294 Tokyo KYODO in English 0914 GMT
25 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Opposition parties criticized the fiscal 1995 budget endorsed Sunday [25 December] at an extraordinary cabinet session chaired by Prime Minister Tomiichi Murayama as both window dressing and a squeeze on people's livelihoods.

The largest opposition party Shinshinto (New Frontier Party) said the three-party coalition government of Murayama formulated "a halfway budget" just to remain in power.

It is "extremely regrettable" for the government to postpone reform that would give more emphasis to improving people's lives, said Kansei Nakano, head of the party's policy affairs committee.

The 70.99 trillion yen budget, Nakano said, represents window dressing aimed at distracting taxpayers' attention from the worsening fiscal situation since it includes so-called "hidden debts" by deferring and suspending repayments of previous borrowings due in fiscal 1995 in order to cover a huge revenue shortfall.

The coalition government of the Social Democratic Party headed by Murayama, the Liberal Democratic Party and new party Sakigake [Harbinger] is "irresponsible" because it concentrated merely on making budget figures consistent, Nakano said.

The Japanese Communist Party (JCP) characterized the budget as one that cares only about the military and big businesses while squeezing people's welfare and livelihoods.

Kazuo Shii, JCP secretary general, called the government unprecedentedly irresponsible among post-World War II administrations for papering over huge fiscal deficits by means of "hidden debts" totaling nearly 7 trillion yen and enormous national bond offerings.

Vice MITI Minister Kumano Resigns 24 Dec

OW2412071994 Tokyo KYODO in English 0707 GMT 24 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—The Ministry of International Trade and Industry (MITI) on Saturday announced the resignation of Vice MITI Minister Hideaki Kumano who will be replaced by Tomio Tsutsumi, head of the Industrial Policy Bureau. Kumano will step down to take responsibility for a personnel scandal in 1993, according to ministry sources.

International Trade and Industry Minister Ryutaro Hashimoto accepted Kumano's resignation earlier in the day, the sources said.

Kumano came under fire last year for his inability to resist alleged political intervention in connection with the firing of Masahisa Naito, head of MITI's Industrial Policy Bureau.

Last December, then MITI chief Hiroshi Kumagai pressed Naito to step down to take responsibility for an allegedly unfair promotion he gave to a MITI official.

Naito, a major contender for the vice MITI minister post, first rejected the request. But the scandal ended with his resignation, which was widely seen as a firing by Kumagai.

Cabinet Approves Administrative Reform Outline

OW2512064894 Tokyo KYODO in English 0631 GMT 25 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—The cabinet on Sunday [25 December] approved the government's outline for administrative reforms, pledging to carry out the review of 92 government-backed public corporations within the current fiscal year.

Prime Minister Tomiichi Murayama has said his three-party coalition cabinet is committed to administrative reform, in particular the streamlining of dormant special corporations.

The outline says the government will promote the revamping of public corporations, with ministries and agencies thoroughly reviewing their role and significance.

The outline, formally approved at a Sunday cabinet meeting, also stipulates the suspension of any new subsidies to the public corporations beginning with the FY '95 budget and promises to curtail the number of public corporation officials.

The outline also calls for the drafting of a five-year deregulation plan within this fiscal year and mandates the drawing up of a first-ever white paper on deregulation for promoting further deregulatory measures.

Although it does not specify any number, the outline pledges a cutback in the number of government officials as part of the administrative reforms.

It also discloses a plan for the government submission of a bill promoting decentralization to the next Diet session.

It calls for a stronger role for the cabinet in coordinating government policies.

The Murayama administration has made it a priority to whittle down the nation's powerful bureaucracy and abolish surplus rules and regulations.

Takemura Urges 'Drastic' Reforms

OW2512083894 Tokyo KYODO in English 0718 GMT 25 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Finance Minister Masayoshi Takemura said Sunday [25 December] drastic administrative and fiscal reforms are needed before considering tax hikes to secure government revenues.

Takemura made the remarks at a press conference after Prime Minister Tomiichi Murayama's cabinet, during an extraordinary session, endorsed an austere budget plan for fiscal 1995, which starts April 1.

"We should not discuss a tax hike without seeing the direction of drastic reforms, including cuts in expenditures," Takemura said.

At least until the time comes for a review of the consumption tax hike in two years, the government should concentrate on administrative and fiscal reforms, the finance minister said.

Takemura stressed the need for cabinet members' resolve in aggressively proceeding with administrative overhauls from the beginning of the new year since there

is a possibility of resistance among the mandarins of government ministries and agencies.

He added the government ministries and agencies are not "bighearted" toward reforms which affect the numbers of their staff, their organization or authority.

Making no exception for the Finance Ministry, specific policies should be worked out to integrate or rationalize government-affiliated special corporations, he said.

Takemura said the fiscal 1995 budget plan is one step toward a restructuring of fiscal conditions.

It is in line with the basic policy of avoiding the issuance of deficit-covering bonds, which may further deteriorate finances, or using makeshift accounting measures recoverable over short periods, he said.

Hashimoto: Reforms 'Unclear'

OW2712044794 Tokyo KYODO in English 0426 GMT
27 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—The government should clarify the ultimate goal of its ongoing efforts for streamlining government-sponsored special corporations, International Trade and Industry Minister Ryutaro Hashimoto said Tuesday [27 December].

"I understand the government of Prime Minister Tomiichi Murayama is pushing for administrative streamlining efforts as one of its major policy goals," Hashimoto told a news conference.

"But the ultimate goal of the efforts is unclear," Hashimoto said, noting that Chief Cabinet Secretary Kozo Igarashi did not give a clear answer to his question on the issue earlier in the day.

Hashimoto explained that he asked Igarashi whether administrative reforms are intended to secure financial sources for certain policy measures or to demonstrate the cabinet's strong political stance on the review of public corporations.

"If the latter is a main purpose of administrative reforms, how many special corporations are to be integrated or scrapped would have strong political significance," Hashimoto said.

"As I recall, the idea of administrative streamlining originally surfaced as a means to raise money for a certain policy step," Hashimoto said, apparently referring to the nationwide debate a year ago on how to finance income tax cuts.

Hashimoto's remarks are apparently aimed at countering what he views as excessive media and public attention on specific names or the number of special corporations to be subject to streamlining.

"I want the cabinet to unify its view on this aspect of the issue," Hashimoto said.

"The Ministry of International Trade and Industry is prepared to make every effort to streamline its organs but such efforts are not designed just to demonstrate the scale of...rationalization," Hashimoto said.

Ministries and agencies are to submit final versions of their streamlining plans to the Management and Coordination Agency by Feb. 10 next year.

In an interim report released recently, none of the ministries specifically named any public corporation in their domain to be streamlined, triggering public criticism that the government is not sincere about administrative reform.

Hashimoto told reporters that in a meeting with Management and Coordination Agency chief Tsuruo Yamaguchi earlier he did not raise specific names of MITI-related public corporations.

"We are now discussing which ones should be reformed. The time is not yet ripe for disclosure," Hashimoto said.

"MITI is serious about administrative reforms. We will come up with a certain answer when the time comes."

"Any streamlining should be done in a manner that would bring benefit to the Japanese people," he also said.

Concerning the dismissal of a high-ranking Science and Technology Agency official over his stance on streamlining plans, Hashimoto refrained from direct comment, saying it is basically a matter of the science agency.

Kinju Atarashi, chief of the science agency's secretariat, advised his minister, agency chief Makiko Tanaka, to go slow on cabinet streamlining plans, saying, "government bodies are public entities, not personal belongings of a minister."

Atarashi was released from the science agency post Monday. He had been on loan to the agency from MITI.

Hashimoto said, "if the Science and Technology Agency judges Atarashi useless for the agency, MITI will take him back as it finds him talented and useful."

Hashimoto dismissed a remark by a senior official of the science agency that Atarashi's release was connected with a recent reshuffle of MITI top officials.

"That is not true," Hashimoto said.

Official To Be Dismissed Over Antireform Remark

OW2612132894 Tokyo KYODO in English 1300 GMT
26 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—The Science and Technology Agency will dismiss a senior official after he made a remark perceived as a case of bureaucratic resistance to administrative reform, the agency's top official suggested Monday [26 December].

"He will return to the Ministry of International Trade and Industry," Kenichi Murakami, vice minister for the agency, said at a press conference.

Earlier in the day, Chief Cabinet Secretary Kozo Igarashi reprimanded Kinju Atarashi, the chief secretary at the agency, for advising agency chief Makiko Tanaka on Saturday not to name for review any special public corporations under the agency's control.

Atarashi, a top aide to Tanaka, said, "administrative bodies are public entities and not personal belongings owned by ministers," according to Igarashi.

Tanaka reported the comment to an informal meeting of cabinet ministers Sunday, which led to the admonition by Igarashi, the top government spokesman.

Igarashi summoned Atarashi to the premier's official residence and urged him to follow policy of the cabinet of Prime Minister Tomiichi Murayama to press ahead with administrative reform, including a review of government-funded corporations.

The Murayama cabinet has listed administrative reform as its top priority task, with the premier urging his cabinet to assume leadership in scrapping or streamlining such corporations.

According to Murakami, Atarashi regrets his remark, but some officials have said he is not appropriate to aid Tanaka.

The transfer of Atarashi as well as the person to take his post, is likely to be officially decided at a cabinet meeting Tuesday, government sources said.

Murayama Defends Dismissal

*OW2712062494 Tokyo KYODO in English 0559 GMT
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Prime Minister Tomiichi Murayama and his ministers Tuesday [27 December] defended the punitive step taken against a senior bureaucrat who rapped the premier's administrative streamlining campaign.

Questioned by reporters about the dismissal from his post of Kinju Atarashi, chief of the secretariat at the Science and Technology Agency, "it appears to me (the penalty) could not be avoided."

Atarashi enraged the agency's director general Makiko Tanaka by urging her not to mention the specific names of public corporations under the auspices of the agency as possible targets of the administration's streamlining ax.

Tanaka reported to a cabinet meeting what she saw as Atarashi's effort to meddle in one of the administration's chief policy goals. She said Tuesday that the agency will replace him with Toshihiro Ishii, director of the agency's Science and Technology Policy Bureau.

She told a news conference Tuesday, "I assume he expressed his personal view, but I cannot condone what essentially contradicts this cabinet's tenets."

A string of cabinet ministers defended Tanaka's punitive measure at separate news conferences Tuesday.

Foreign Minister Yohei Kono, concurrently president of the Liberal Democratic Party, Murayama's key coalition partner, said, "teamwork between cabinet ministers and the people who shoulder public administration is necessary and public administration cannot function without it."

Finance Minister Masayoshi Takemura said of Atarashi's warning to Tanaka, "his remarks showing bureaucratic resistance against administrative reform are regrettable...The discharge is appropriate."

Transport Minister Shizuka Kamei said, "bureaucrats at each government agency should naturally provide full cooperation with the cabinet's efforts to push administrative reforms."

However, International Trade and Industry Minister Ryutaro Hashimoto urged some reflection on the part of the Murayama administration, indicating that the original purpose of the nation's vow for administrative reform might have been missed by this time.

He said, "as I recall, the idea of administrative streamlining originally surfaced as a means to raise money for a certain policy step," Hashimoto said, apparently referring to the nationwide debate a year ago on how to finance income tax cuts.

"But the ultimate goal of the efforts is unclear" at present, he said.

Takemura Also Defends

*OW2712040294 Tokyo KYODO in English 0315 GMT
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—Finance Minister Masayoshi Takemura said Tuesday [27 December] the dismissal of a senior Science and Technology Agency official was reasonable.

Takemura said at a press conference, "his remarks showing bureaucratic resistance against administrative reform are regrettable... The discharge is appropriate."

Monday, Kinju Atarashi, the chief secretary at the Science and Technology Agency, was dismissed over his antireform advice to agency chief Makiko Tanaka Saturday that no special public corporations under the agency's control be named for review.

Quoting Atarashi, a top aide to Tanaka, as saying "administrative bodies are public entities and not personal belongings owned by ministers," Takemura said such remarks were wrong and unworthy of government officials.

Takemura stressed the need for considerable ministerial leadership in proceeding with administrative overhauls and commented, "generally government officials are not positive about administrative reforms."

Coalition To Convene Diet Session on 20 Jan

*OW2612032494 Tokyo KYODO in English 0256 GMT
26 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Representatives of the three ruling coalition parties agreed Monday [26 December] to convene the regular Diet session on Jan. 20, party officials said.

Leaders of the government and the ruling coalition parties will formally decide the date at a liaison meeting later in the day, the officials said.

The regular Diet session will mainly discuss the 70,987.12 billion yen budget for fiscal 1995 starting April 1.

Revised Election Law Goes Into Effect 25 Dec

*OW2512032894 Tokyo KYODO in English 0221 GMT
25 Dec 94*

[FBIS Transcribed Text] Tokyo, Nov. 25 KYODO—Japan's revised election law went into effect on Sunday [25 December] for a new single-seat election system for the House of Representatives, replacing the multiseat constituencies for the past 70 or so years.

The next general election will be conducted under the new system in which 300 lower house members will be elected from single-seat constituencies and another 200 members through a proportional representation system, government officials said.

The revised election law on constituency demarcation and tighter restrictions on political fund raising passed the Diet in November. The law went into effect on Christmas day after a one-month public notification period.

Under the revised law, each party must register its name with election authorities between Dec. 25 and the end of the year to protect its party title.

Another political reform law covering the provision of government subsidies to political parties will go into effect on Jan. 1.

LDP Announces List of Candidates for Elections

*OW2412032794 Tokyo KYODO in English 0240 GMT
24 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—The ruling Liberal Democratic Party (LDP) on Saturday [24 December] announced a list of 109 candidates for general elections despite a widely held view among Japanese politicians that such a poll will not take place before next autumn.

The list includes 104 candidates for single-seat constituencies and five others through proportional representation for House of Representatives elections, LDP officials said.

The 104 are 92 incumbents, seven former lower house members and five rookies.

The LDP will make a formal decision on the list at a party convention on Jan. 19, the LDP officials said.

The LDP forms part of the three-way ruling coalition with the Social Democratic Party and New Party Sakigake.

Under the new electoral system for the lower house, 300 seats will be chosen via single-seat constituencies and 200 others via proportional representation.

Among the 92 incumbents are LDP President Yohei Kono and former premiers Noboru Takeshita and Kiichi Miyazawa.

But other senior LDP lawmakers representing 16 prefectures, including Secretary General Yoshiro Mori, are not on the list because they compete with other LDP legislators in their single-seat constituencies.

LDP's Mori Discounts Talk of Cabinet Reshuffle

*OW2412104594 Tokyo KYODO in English 1037 GMT
24 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—A leader of the ruling tripartite coalition Saturday [24 December] discounted the possibility of an imminent cabinet reshuffle by Prime Minister Tomiichi Murayama, political sources said.

Yoshiro Mori, secretary general of the dominant coalition member Liberal Democratic Party (LDP), made the prediction during a meeting with former Prime Minister Noboru Takeshita, the sources said.

Although a final decision is left to the discretion of Murayama, there is little possibility of a cabinet change before the opening of the regular Diet session next month, Mori was quoted as saying.

Mori based his prediction on internal turmoil within the LDP's coalition partner, Murayama's Social Democratic Party, resulting from a move by rebel members to bolt to form a new party, the sources said.

Mori was also cautious on reshuffling executive officials of the LDP.

Takeshita urged the LDP to make full-fledged preparations to triumph over the opposition alliance Shinshintō (New Frontier Party) in the next House of Representatives election.

Takeshita welcomed the party's selection earlier in the day of a first group of 109 candidates for the next general election, saying the announcement of the list will benefit

the process of naming candidates in the remaining constituencies where selection has been bogged down, the sources said.

Hata Reiterates Calls for General Election

OW2512105394 Tokyo KYODO in English 1030 GMT 25 Dec 94

[FBIS Transcribed Text] Aomori, Japan, Dec. 25 KYODO—Former Prime Minister and opposition leader Tsutomu Hata called on the ruling coalition Sunday [25 December] to dissolve the Diet and call a general election after the fiscal 1995 government budget is enacted.

"The Murayama government has not yet received the baptism of elections," Hata, deputy head of the newly formed grand opposition alliance Shinshinto (New Frontier Party), told a press conference in Aomori, northern Japan.

"When the budget is passed, it is one ideal timing" for Prime Minister Tomiichi Murayama to dissolve the House of Representatives, Hata said.

The 70.99 trillion yen budget, endorsed by the Murayama cabinet earlier Sunday, will be presented before the next ordinary session of the Diet starting in late January and is expected to be approved in a few months.

As for a shadow cabinet which Shinshinto plans to form Tuesday to demonstrate its readiness to take over power from the tripartite coalition, Hata said he rather wants to stay out of the shadow cabinet to do more party work.

"As a deputy head, I would rather hold a position such as building local party networks and promoting the party's ideals to people," Hata said.

Shinshinto, launched Dec. 10 through the merger of major noncommunist opposition parties and headed by former Prime Minister Toshiki Kaifu, plans to form its own shadow cabinet, dubbed "tomorrow cabinet," consisting of about a dozen ministers.

Hata formerly headed Shinseito [Japan Renewal Party], the largest of the parties merged into Shinshinto. He was ousted from power in June when Murayama, chairman of the Social Democratic Party (SDP), formed a surprise alliance with the SDP's archrival Liberal Democratic Party (LDP) and a small LDP splinter party, new party Sakigake [Harbinger].

Ozawa's Remarks on DPRK Nuclear Issue Cited

OW2312143794 Tokyo SANKEI SHIMBUN in Japanese 22 Dec 94 Morning Edition p 3

[Unattributed "Suihei and Suichoku" (horizontal and vertical) column entitled: "Stir Being Created by Ozawa's Remarks on Issue of Replacement of DPRK Reactors"]

[FBIS Translated Text] New Frontier Party [NFP] Secretary General Ichiro Ozawa's remarks criticizing a plan to help North Korea transform its reactors into light water type without shelving the issue of nuclear inspections is sending ripples to all areas. Mr. Ozawa made his controversial remarks mindful of calls in the United States for a review of the plan. Although some members of the Liberal Democratic Party [LDP] said they support Ozawa's claim, the government is increasingly puzzled over Ozawa's remarks because of the agreement reached last February among Japan, the United States, and South Korea on establishing an international consortium "Korean Energy Development Organization (KEDO)," and that the nuclear issue will be on the main agenda of Japan-U.S. summit talks.

Mr. Ozawa made the remarks when he appeared on the Fuji Television talk show "News 2001" aired on 18 December. Asked what he thinks of the plan to help introduce light water reactors to North Korea based on the accord, Ozawa said the U.S.-DPRK agreement fails to refer to the issue concerning the DPRK's suspected nuclear development in the past, while specifying nuclear inspections will not be made for five years; that we should not have to spend a huge amount of tax for light water reactors because the fate of the nuclear issue is unclear; and that if financial assistance should make North Korea give up nuclear development and turn to a democratic nation, it would be acceptable, but it is difficult because Pyongyang's move toward democratization is the current dictatorial government's self-denial. In the past, on the DPRK's suspected development of nuclear weapons, Mr. Ozawa said "there is a strong possibility that North Korea has nuclear weapons." In this way, he has been pointing out Japan's slow response to the situation. It seems that, taking into consideration calls emerging in the United States in the wake of the Republicans' victory in the midterm election for a review of the U.S.-DPRK accord, Ozawa made the recent controversial remarks with the aim of blocking the Murayama cabinet from actively moving toward extending financial assistance. However, the NFP's action is also slow. Although the issue of policy differences was discussed at a meeting of the top leaders of the NFP on 20 December, Mr. Ozawa's remarks did not even come up on the agenda of the meeting.

Within the NFP, particularly in the former Japan Democratic Socialist Party [DSP] and Shinseito, there is such strong support for Ozawa as: "Whether or not North Korea possesses nuclear weapons is a vital question to Japan. In this sense, it is a matter of course, as Ozawa said, to set the settlement of the nuclear issue as a precondition for financial assistance" (according to a former senior DSP member).

But some members of Komeito and other parties expressed concern over Ozawa's remarks, saying "the people will further assume the NFP is hawkish if the party opposes the plan to introduce light water reactors." Another concern has been expressed that "criticizing the

U.S.-DPRK agreement might be taken as anti-American, and even in terms of a political strategy, supporting Ozawa's remarks as the NFP's policy will probably have negative impact on the party" (as stated by a former Shinseito member). Against such a background, Mr. Ozawa's view raises the question of whether this is becoming the prevailing view of the NFP.

NFP Launches Shadow Cabinet, Announces Posts
*OW2712111194 Tokyo KYODO in English 1014 GMT
27 Dec 94*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO—The fledgling grand opposition party Shinshintō (New Frontier Party; NFP) formed a British-style shadow cabinet Tuesday [27 December] to demonstrate its readiness to take back power from the tripartite ruling coalition.

Shinshintō announced the cabinet formation with a selected group of 14 legislators entrusted with the devising of alternative policies prior to the start of policy debate with the ruling coalition in the regular Diet session to convene Jan. 20.

The names of the 14 "ministers" of what Shinshintō calls the "tomorrow cabinet," along with those of dozens of other legislators given party posts, were announced at a meeting of the party's 214 members from both chambers of the Diet.

Party chief Toshiki Kaifu told a news conference the party intends to appoint the 14 shadow ministers to actual corresponding cabinet slots after the largest opposition party "takes back power" from the coalition of the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) of Prime Minister Tomiichi Murayama and New Party Sakigake.

Shinshintō Vice President Takashi Yonezawa, former chief of the now-defunct Democratic Socialist Party, was named "minister" in charge of economic and fiscal policies, while Michihiko Kano, former chief of New Party Mirai, was placed in charge of foreign policy.

Former Education Minister Takeo Nishioka was given charge of comprehensive cabinet coordination, a post that corresponds to that of chief cabinet secretary.

Former Justice Minister Hiroshi Nakai was placed in charge of administrative reform, while former Transport Minister Nobuaki Futami was charged with overseeing national security.

Each of the 14 shadow ministers will be assisted by "two to five" vice ministers. They will also be supported by senior political aides, also picked from among legislators, they said.

Although the party failed to allot any cabinet or party post to Keiwa Okuda who defied Shinshintō Secretary General Ichiro Ozawa by lobbying legislators to vote for former Prime Minister Tsutomu Hata in an earlier race

to pick the party leader, Kaifu vowed to "make much of" him and former Prime Minister Morihiro Hosokawa.

Breaking down the 14-member tomorrow cabinet by party of origin, five posts went to former Komeito members, four to the former Shinseito, and two each to the former Democratic Socialist Party and the now-defunct Jiyu Kaikaku Rengo.

The former Japan New Party secured one slot, with Masuo Matsuoka being assigned the post in charge of labor and employment policies.

Shinseito Legislator Hiroko Hayashi is the sole female member in the tomorrow cabinet. She was entrusted with the post in charge of devising policies regarding education, culture, sports, science and technology.

The 14 shadow ministers held their first "cabinet" meeting Tuesday evening.

Former Shinseito leader Hata was given the party post in charge of political reform, while former Komeito Chairman Koshiro Ishida was given charge of administrative reform.

Chief party strategist Ozawa will be assisted by Kozo Watanabe, his loyal aide from the former Shinseito as well as two LDP breakaways—Takeshi Noda and Toshio Yamaguchi.

Commentator Discusses Shinshintō's Role
*OW2312015494 Tokyo SANKEI SHIMBUN in
Japanese 19 Dec 94 Morning Edition p 7*

[Article by political commentator Taro Yayama: "Shinshintō's Mission Is To Restructure the State;" from the "Sound Argument" column]

[FBIS Translated Text] Entrance to Two-Party Age

It is safe to say that with Shinshintō's [New Frontier Party] inauguration, Japanese political parties have entered a two-party age. However, there is a possibility that a tripolar party—a democratic liberal party, will come into being. In the future, the political parties will eventually regroup themselves into two conservative parties. Under the conventional multi-seat constituency system, individual lawmakers have created a form of politics in which they speak for specific industries and regions. From now on, the political parties will have to pursue partisan politics in which politicians must set forth their blueprints for the state's future and policy-making process. For the political parties to keep their policies consistent, they should set policy priorities and decide on options. No party will be able to adopt a policy that opposes building military bases in Japan while endorsing the security treaty. No party will be able to publicly promise voters to bring unified standards to all new bullet-train lines despite its inability to secure financial resources. The political parties should mature themselves by debating with each other while presenting

their policy differences and seeking voter support. I hope for the start of full-fledged partisan politics.

The characteristic phenomenon appearing in public opinion polls is that about 50 percent of the respondents do not support any political party. This indicates the fact that the people are at a loss over their choices because of the absence of policy differences between the ruling Liberal Democratic Party [LDP] and Shinshinto. In local elections and mayoral elections, the turnout rate has been extremely low because of the ambiguity in policy differences.

At Shinshinto's inauguration convention, Kansei Nakano, Shinshinto Policy Deliberation Council chairman, said: "Our party cannot shape new policies to counter the LDP because it has no different policies." Nonetheless, Shinshinto should shape its own policies that the government, formed by the LDP, the Social Democratic Party of Japan [SDPJ], and New Party Sakigake [Harbinger], absolutely cannot shape.

Shaping such new policies will restructure the state. The various Japanese institutions played their roles in reconstructing Japan and rebuilding it into an economically powerful nation during the post-war years. Those institutions have degenerated to the point where they are now standing in the way of Japan's development. Most of the institutions have become non-tariff barriers that drive prices sky high and pose as burdens to the people. The extreme centralization of administrative power has uniformly set prices and kept local communities lackluster. This phenomenon is appearing in the education arena. The bullying-caused serial suicides of middle school students are caused by the feeling of alienation [heisokan] among students, a result of the uniformed deviation value [hensachi] of education. The so-called phenomenon of defying science may be the result of students preferring to study all curriculums evenly. In Japan, all people are enthusiastic about education for their children. The state and the people have spent money on their education. Nonetheless, 98 national universities are the same as junk rooms. Why has this situation occurred?

The Massive Transfer of Authority To Local Autonomous Governments

It is necessary to examine the education and other various institutions of local autonomous governments. When the Japan Railway [JR] was run by the government as the national railway, a fluorescent light was supplied from Tokyo to replace a burned-out one at the Kagoshima Station because the fluorescent light had a special standard under the national railway standards. The Kagoshima Station was not allowed to buy the replacement at the electrical supply store in front of it. The national railway disintegrated into the JR, allowing all the railway stations to buy general consumer electric appliances for themselves. Now, the Kagoshima Station can buy the fluorescent light for 500 yen at an electrical outlet store in front of it. At that time, they cost as much as 8,000 a piece.

The national railway was reborn to the JR by revamping its system and transferring much of its authority to local railway stations.

Restructuring the state resembles that. Major reforms need to be carried out to confine the state's authority for dealing with such national affairs as defense, justice, police, nationally unified standards, and criteria as well as social regulations, and to transfer the rest of its authority to local autonomous governments. Shinshinto should uphold this goal and set forth a policy and process for achieving that goal. Shinshinto should study whether or not to adopt a federal system like it adopted presently by Germany, and whether to adopt a provincial system or merge the present prefectural and municipal governments. It is ideal that the local autonomous governments meet their expenditures with their own financial resources. In Japan's case, a system can be studied under which national taxes collected by the state are automatically divided to the local autonomous governments in proportion to their population and area. The "Decentralization Law," that France enacted in 1982, stipulates that the use of financial resources collected and distributed by the state are entrusted to local agencies (legions). The law has revitalized many municipalities and local communities.

I expect Shinshinto to do those things because I can expect nothing from the LDP and the SDPJ. In his policy speech to the Diet, Prime Minister Murayama stated that "administrative reform is at the top of my cabinet's priorities." Without a grand blueprint for restructuring the state, the administrative reform would only end up breaking up one or two special corporations and the Hokkaido Development Agency.

The Collusive System of Politics, Government, and Business

There is no need to maintain most special corporations and government-invested financial institutions. Even if there is a need to maintain them, that need can be met by local autonomous governments with their own financial resources. The LDP's politics has organized various business associations. It has gained votes and money from them by protecting their entrenched interests. What comes of the LDP's politics are only conservative ideas for protecting the establishment. Ministries and agencies have made concerted efforts to back their former vice ministers as candidates on the LDP's list of proportional representatives. The former vice ministers, after being elected with the backing of those ministries and agencies, have defended the vested interests as the point men for dietmen who speak for special interests. The consolidated collusive system of politics, government, and business makes it impossible to turn Japan around.

I hope that Shinshinto will keep in mind that restructuring the state is a mission that it has to accomplish. Shinshinto has two tasks. One of the tasks is to awaken members of the former Shinseito [Japan Renewal Party]

who inherited the constitution of the LDP's collusive politics. Another task is to get members of former Komeito [Clean Government Party] to change their thinking of diplomacy. The absolute pacifism, advocated by Komeito, has nothing to do with the international situation and is no more than a religious idea. It is nonsensical to apply the religious idea to actual diplomacy. Politicians need to think about what Japan should do as a state in the international community. I hope that Shinshinto will mature into a splendid party and turn Japan around.

SDPJ Group Vows To Proceed With New Party Plan

OW2412040094 Tokyo KYODO in English 0310 GMT 24 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—Rebels within the ruling Social Democratic Party (SDP) [Social Democratic Party ??of Japan—SDPJ] decided Saturday [24 December] to form a preparatory panel for a new party which would challenge Japan's two biggest political parties, the Liberal Democratic Party (LDP) and Shinshinto.

Acting on proposals made by Sadao Yamahana, chief of the rebel group New Democratic League, league members decided to hold general meetings on Jan. 6 and 9, officials said.

The rebel group has been advocating the creation of a "democratic and liberal" party to replace the present SDP led by Prime Minister Tomiichi Murayama.

The league's action came two days after Murayama and other SDP leaders set Feb. 11 as the most appropriate date for the party to hold an extraordinary convention to discuss the creation of a new party, in spite of the league

Ps request for a January convention. ?

Murayama's SDP is one of the three ruling coalition forces, along with the LDP and New Party Sakigake.

SDPJ Leaders Confirm Party's Commitment to Unity

OW2512094894 Tokyo KYODO in English 0905 GMT 25 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO—Leaders of the Social Democratic Party (SDP) [of Japan—SDPJ] headed by Prime Minister Tomiichi Murayama on Sunday [25 December] confirmed their commitment to ensuring party unity despite moves among some dissident members to form a new party.

At a meeting with SDP cabinet members, Murayama stressed the need to affirm solidarity at the party's proposed extraordinary congress set for Feb. 11 in order to win local assembly elections in April and House of Councillors polls in July, party officials said.

Murayama also reiterated that the SDP should seek unity toward involving all "social democratic and liberal" forces, the officials said.

One of the participants at the meeting, Management and Coordination Agency chief Tsuruo Yamaguchi, urged those present to make efforts to ensure smooth sailing at the forthcoming party convention, they said.

Other participants included Chief Cabinet Secretary Kozo Igarashi and Construction Minister Koken Nosaka.

The meeting was called to discuss how to cope with a decision taken Saturday by a group of party rebels to set up a preparatory panel for a new party early in January.

The New Democratic League, as the right-center group calls itself, wants to rally all "democratic and liberal" legislators into a party that could stand as a third major parliamentary force against the dominant ruling coalition partner Liberal Democratic Party (LDP) and the recently created largest opposition Shinshinto (New Frontier Party).

In a related development, a top leader of the SDP's leftist members who have pledged to support the Murayama government said Sunday he could accept the preparatory panel if it were established as an official party body.

Sekisuke Nakanishi told reporters it would be no problem if the SDP's central committee made a decision to that effect at its scheduled meeting Jan. 12, adding this was his personal view.

Nakanishi's group has voiced objection to the league's breakaway move, saying it could split up the party and undermine the tripartite governing coalition, which also includes new party Sakigake [Harbinger], a small LDP splinter party.

Hata Welcomes SDP Members' Move To Form New Party

OW2412110494 Tokyo KYODO in English 1045 GMT 24 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO—Former prime minister and leading opposition figure Tsutomu Hata welcomed Saturday [24 December] a move within the Social Democratic Party (SDP) to form a new party possibly involving some outsiders.

Hata, deputy head of the newly formed grand opposition alliance Shinshinto (New Frontier Party), told reporters that he welcomes the move to create a new party by dissident SDP members who are grouped in the New Democratic League.

Hata said Shinshinto would refrain from seeking cooperative ties with the league or the planned new party but added it would welcome approaches by those who share the same political ideals and principles.

The SDP rebel group pushed for a plan Saturday to launch a new party rallying "democrats and liberals" before an ordinary Diet session in late January, turning its back on the SDP leadership.

The group said members decided at its general assembly to establish a preparatory panel for the new party right after the new year starts.

Kubo Pessimistic Over Possible Breakup of SDPJ
OW2612094994 Tokyo KYODO in English 0907 GMT 26 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Social Democratic Party (SDP) [of Japan, SDPJ] Secretary General Wataru Kubo told Prime Minister and SDP Chairman Tomiichi Murayama on Monday [26 December] it would be difficult to stop rebel forces from leaving the party, SDP officials said.

Kubo, in a meeting at the premier's official residence, said, "I hope I can fulfill my duties as secretary general but the problem is very difficult."

A study group within the SDP—called the New Democratic League led by former SDP Chairman Sadao Yamahana—has told the party leadership it will break away if its request for holding an extraordinary convention in January is not granted.

Murayama told Kubo that he is "very concerned" about the situation and asked him to "make an extra effort" to avoid a breakup of the party, the SDP officials said.

Kubo also told a meeting between party officials and leaders of pro-SDP unions earlier in the day that the party might not hold its proposed congress in February if such a meeting threatens to dissolve the party.

Kubo said, "the purpose of the party congress is not to break up the party."

He said a congress might not be held if a party split looks likely over disagreement of the aims and agenda of a congress at a meeting of the party's Central Executive Committee on Jan. 12.

The Yamahana group wants to rally all "democratic and liberal" legislators into a new party that could stand as a third major parliamentary force against the largest ruling coalition party, the Liberal Democratic Party, and the recently created Shinshinto (New Frontier Party), which is the largest opposition party.

Kubo has close ties with the intraparty New Democratic League.

SDP leaders agreed Dec. 22 to hold an extraordinary convention on Feb. 11 to discuss the creation of a new party, a move which angered the league. It had requested a convention in January before the regular Diet session begins.

Prime Minister Murayama has warned against any hasty formation of a new party.

*** SDPJ Left, Right Wing Discord Examined**

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[Article by Mitsuhiro Uezumi, former SDPJ official: "SDPJ Moves Farther Left"]

[Text] On 1 September, ballots were cast in Aichi Prefecture, in a by-election for an upper house seat. [Mamoru] Tsuzuki, the former coalition's candidate, defeated the ruling coalition's candidate by a landslide (the margin was nearly 400,000 votes). With the momentum toward forming a "new" new party accelerating, the actions of the right wing of the Social Democratic Party of Japan [SDPJ] has, once again, caused problems. Public opinion and most of the labor unions, the SDPJ's main supporters, are abandoning the Liberal Democratic Party [LDP]-SDPJ-Sakigake [Harbinger] coalition. But the SDPJ, now dominated by its left wing, is leaning further and further toward the LDP.

At a special convention held on 3 September, the SDPJ approved a resolution stating that it is in favor of retaining the Japan-U.S. Security Treaty and that it recognizes the Self-Defense Forces [SDF]. It looked as though the party had finally established a realistic ideology. But contrary to the policies it had embraced, both the SDPJ and its power structure eventually leaned even farther left.

At the convention, the right wing of the SDPJ was prevented from joining the Shinshinto [New Frontier Party] by the left wing, and was then absorbed by the center-left Yamahana faction (the New Democratic League [Shin Minshu Rengo]). Thus, two left-wing factions that oppose the Ozawa-Ichikawa team and support the LDP-SDPJ coalition, the Yamahana and Murayama factions, have gained control of the party. The SDPJ's right wing was strangled by its left wing.

Furthermore, a group of Diet representatives hailing from the All Japan Prefectural and Municipal Workers' Union [Jichiro], the leftmost bloc in the SDPJ during its former incarnation, and from Sohyo [General Council of Trade Unions of Japan] were the engineers who designed the LDP-SDPJ coalition. Its members worked their way into key positions in both factions. This group was abetted by another group of representatives from the Japan Postal Workers' Union [Zentei] and Japan Teachers' Union [Nikkyoso].

The Jichiro group includes Tomiichi Murayama, Yutaka Shitoma, and Sango Sato, as well as Kozo Igarashi, Kenji Taguchi, Masanori Goto, and even Junsuke Iwata and Hideko Ito. Most of these people, along with the now extinct Kokuro [National Railway Workers' Union] and Nikkyoso groups, controlled the left-wing Soviet sympathizers in the SDPJ. This was particularly true in the 1970's, when they were instrumental in convincing the

rest of the party to accept their views on the Japan-U.S. Security Treaty and the SDF. The platform became a call to "abrogate the treaty" and "dismantle the SDF." Their slogan was "unarmed neutrality," but it was this group that fueled the fires of international tension, with its pro-Soviet, anti-U.S. obsessions.

There is also the continuing dispute over what sort of government the SDPJ should support. The party's right wing, consisting of representatives from the All Japan Telecommunications Workers' Union [Zendentsu] and the All Japan Federation of Electric Machine Workers' Unions [Denki Roren] has always favored the establishment of a centrist coalition consisting of the SDPJ, Komeito, and the Democratic Socialist Party [DSP], one that excludes the LDP and the Japan Communist Party. The right wing has continually met with opposition from the Jichiro group which, along with the leftists from the former Kokuro and from Nikkyoso, advocate "scientific" socialism (the Marxist-Leninist brand of socialism). The left wing has consistently advocated a one-party, SDPJ, government (autocracy) or, failing that, a leftist coalition dominated by the SDPJ and excluding the LDP, the Komeito, and the DSP.

These left-wing forces, though split into two factions, the Murayama group and the Yamahana faction, now control the SDPJ and support Murayama's LDP-SDPJ-Sakigake government. They also have formulated the new platform that retains the Japan-U.S. Security Treaty and recognizes the SDF.

Throughout the half-century since the party was established in 1945, the main points of contention between the SDPJ's right and left wings have been the security treaty and the SDF. The right wing has attempted to reform the party and put it in a position to accept the reins of government. Its only political goal has been to convince the party to recognize both the security treaty and the SDF. Conversely, the left wing has been on the defensive, working to maintain the status quo in the party's platform, that is, insisting that the security treaty should be abrogated and that the SDF is unconstitutional. Sustained by activists armed with Marxism and Leninism, the left wing has continued to thwart the plans of the right wing.

But at the September convention, left-wingers like Sukio Iwatare and Yoshimi Mino from the Murayama faction, along with Kosuke Uehara, Masanori Goto, and others from the Yamahana faction took control and reversed the traditional party platform on the security treaty and the SDF. The moment these new policies were adopted, Issei Inoue's group, the Policy Roundtable, and Makoto Tanabe's group, the Democrats, were stripped of their political goals, and thus their *raison d'être*.

Actually, these two rightist factions had stopped functioning even before the convention, and had been absorbed into the center-left New Democratic League.

Painstaking Campaign To Destroy Right Wing

The SDPJ's left wing painstakingly wrought a campaign to destroy the party's right wing. The first phase of the campaign involved presenting Ozawa, Ichikawa, and their followers as fascist bullies, and launching a united antifascist offensive. To that end, the left wing would form a united leftist army—that is, the Murayama group—and take control of the party. During the second phase, the right wing of the SDPJ would be prevented from joining the Shinshinto. This would be accomplished by the LDP-SDPJ coalition's taking the initiative and temporarily reversing the SDPJ's policies on the security treaty and the SDF. Then, in the third phase, the center-left Yamahana faction (the New Democratic League) would dismantle and absorb the Democrats. Ultimately, the entire left wing, that is, the Yamahana and Murayama factions, would take control of the SDPJ.

The Murayama group began its existence in September 1993 with the seating of Tomiichi Murayama (affiliated with Jichiro) as chairman of the party's Central Executive Committee. The left wing used the election to unite the majority of the centrists, whom it was able to attract during the interparty strife over legislation concerning the small electoral district system. These centrists were drawn into the Murayama faction (Society To Promote True Political Reform [shin no seiji kaikaku o susumeru kai]). Then, in June, when the Murayama government was formed, the left wing teamed up with the ultraleftist group, Taiyo [Sun], which once prided itself on its independence, and a popular organization affiliated with Taiyo, the National Network for the Revival of a Socialist Party that Defends the Constitution [goken no shakaito o saisei suru zenkoku nettowaku].

The key members of the Murayama group are people like center-rightists Tsuruo Yamaguchi and Shun Oide, from the Suiyokai [Wednesday Group] (Tanabe faction), center-leftists Kozo Igarashi and Koken Nosaka, from the Social Democratic Forum (formerly Shaken); Tsunetoshi Tanaka, from the Association for the Creation of a New Socialist Party [atarashii shakaito o tsukuru kai] (Yamahana faction); and leftists Shigeru Ito and Hideyuki Maejima from the former Katsumata faction. Some other influential members are leftists Yumi Mino of the former Socialists' Association, and Sukio Iwatare and Yutaka Shitoma from the former March Group, as well as some ultraleftists.

The Murayama faction launched its campaign by stressing party autonomy, in accordance with former Comintern secretary Dimitrov's united front theory. Last September, when Murayama announced his candidacy for chairman of the SDPJ's Executive Committee, he began his speech with "I'm told that the SDPJ is virtually invisible within the coalition government. But I intend to hold high the banner symbolizing the ideals that we espouse, so the SDPJ's positions can be clearly seen, even from a distance." Later, at the January 1994 convention, he finally used the word "antifascist" to describe the LDP-SDPJ coalition government.

"The view has been expressed that we should increase our contribution to the international community, and that includes the military cooperation that is expected of a 'normal nation.' However, a contribution of that sort would necessitate revisions to our Constitution.... The SDPJ will be a political force representative of those who oppose the conservative forces.

"We must encourage some of the conservatives to become our partners in the coalition government... we want to build an extensive political force by rallying all who wish to join us in defending our constitution, including liberals. We must form an axis to oppose the powerful conservative forces as soon as possible."

In the next chapter, the two largest groups in the SDPJ, namely, the rightist New Policy Roundtable Group and the center-rightist Democrats (both of which had been feeling their way toward a tie-up with the Ozawa-Ichikawa team, which was what Murayama was referring to when he mentioned "powerful conservative forces"), were cut off from the Ozawa-Ichikawa group, dismantled, and absorbed into the center-leftist New Democratic League. This move was accomplished by party members with Jichiro and Zentei ties who belong to the Association for the Creation of a New Socialist Party, and by the Democrats.

It was Hirotaka Akamatsu, secretary general of the Democrats, affiliated with the General Federation of Private Railway Workers' Unions of Japan [Shitetsu Soren], and a protege of Makoto Tanabe (from Zentei), who first came up with the idea of separating the two groups from the Ozawa-Ichikawa team. However, at an executive meeting of the Democrats held at the New Otani Hotel prior to the party's 9 May meeting of representatives from every prefecture in Japan, Akamatsu's proposal to oppose the Ozawa-Ichikawa team and to hold general elections under the medium-sized electoral district system, was defeated by a vote of 8 to one.

But Akamatsu's proposal reappeared at the 9 May meeting as part of Murayama's opening speech. There, Murayama said, "While the Hata government is formulating its policies... I'm quite certain that the idea of a tie-up with the LDP, which is in the same position as our party, in the opposition, will be broached." Murayama's statement metamorphosed into "Our Theory of Government" in a report presented by Akamatsu at a study session held by the Democrats on 14 September at Atami and attended by members from all over Japan.

Here are some excerpts from that report, which describe some of the theories it contains: "What we are looking for in a tie-up, or a merger, is 'new liberalism,' which is not the same as 'new conservatism' (the reference here is to the 'Shinshinto'). It is inevitable that, as political reorganization progresses, the LDP will divide into two forces, a 'conservative force,' and another one that embraces the 'new liberalism.' The former will be absorbed into a new conservative party, and the latter

will join us. The result will be two large forces.... Needless to say, we must prepare for this joining, this merger with liberalism."

This dove's (Akamatsu's) conception of government is basically the same as Murayama's. Furthermore, at that time, Akamatsu even proposed establishing the New Democratic League.

At that point, the Democrats' first line of defense had already been theoretically destroyed, and its members were leaning toward merging with the center-leftist Yamahana faction, or even the leftist Murayama faction. Incidentally, Akamatsu belongs to New Power, a group of young Diet representatives, formerly affiliated with the extinct center-leftist [Shaken]. The rumor within the party is that he is close to both Makoto Tanabe and Noboru Takeshita.

Only AND (Action New Democracy), whose members were few in number, and who advocated a centrist path that excluded the LDP and the Communist Party, resisted the idea of an LDP-SDPJ coalition till the bitter end. They have since been absorbed into the New Democratic League.

The Disappointing Demise of the Democrats

The demise of the Democrats was pathetic. According to reliable sources, the Trojan horses of the Association for the Creation of a New Socialist Party, i.e., Kenji Taguchi and Masanori Goto, both Jichiro affiliates, played an unexpectedly large role in this drama. The Association for the Creation of a New Socialist Party first wrested control of the Democrats from Secretary General Akamatsu, and placed it in the hands of Goto. Then, it enthroned Taguchi as acting chairman, in an attempt to gain control of the entire group.

When the association realized that its plot had failed, it then schemed to dismantle and take control of the Democrats.

The opportunity came very soon, in late June, during the debate over Murayama's chairmanship. At that point, the Democrats were opposed to an LDP-SDPJ coalition. But, threatened by Jichiro ("If you don't support Murayama, we're going to remove Taguchi and Goto"), the Democrats promptly acquiesced, playing right into the hands of the Association for the Creation of a New Socialist Party and Jichiro.

The New Democratic League, which absorbed the Democrats, is reported to have been the brainchild of Association for the Creation of a New Socialist Party members and Jichiro affiliates Taguchi and Goto. Those two men used Yamahana and Nobuyuki Sekiyama, from the Zentei group in the same faction, as front men. Many believe that in this endeavor, at least, the Zentei group was operating under a double standard.

Whatever the case, the Association for the Creation of a New Socialist Party, with Jichiro and Zentei pulling the

strings backstage, hijacked the Democrats and joined with the Murayama group in supporting the LDP-SDPJ coalition. Meanwhile, the Democrats, having ceased their activities on 27 June, decided to merge with the New Democratic League. Thus ended their short-lived existence, which had begun on 21 December 1993.

The 3 September SDPJ convention was choreographed by the Murayama and Yamahana factions, and at their initiative, the party shifted its stance on the security treaty and the SDF. Ultimately, the right wing was strangled, having had its one and only objective (recognition of the security treaty and the SDF), and its excuse for joining the Shinshinto, wrested away from it, and its activities blocked.

At the convention, members voted on the "party's stance on meeting the challenges facing the political community," including recognition of the security treaty and the SDF. The results were as follows: 222 in favor, 152 opposed, nine blank or invalid ballots, and 19 abstentions. Voting against the proposal were the ultraleftist group Taiyo and members of its National Network for the Revival of a Socialist Party That Defends the Constitution, representing 35 percent of the vote.

Prior to the convention, Akira Iwai, boss of the ultraleftist Murayama group, and former secretary general of Sohyo, said, "After I see how the voting goes at the convention, I want to ask like-minded people from all over Japan to create a political force that will join society's weak in a struggle to defend the Constitution and protect human rights and the environment." An influential party member, Shizuo Wada, from Jichiro, had already announced his resignation from the party, and whole groups were deserting the party's regional branches.

But groups of members affiliated with the Kankoro [National Council of Government and Public Workers' Unions], which control the SDPJ, were hardly likely to weaken their clout by contributing to the fragmentation of the party. The struggle at the convention was merely an internecine battle among leftist groups. The battle itself is the result of an operation that took place on two fronts, planned jointly by the Murayama and Yamahana factions. On one front, party policy would be reversed in an attempt to shore up the LDP-SDPJ government, and to prevent young rightists from deserting the SDPJ. On the second front, activists opposed to the policy shift would be rounded up. The operation would serve to strengthen and expand the Murayama and Yamahana organizations. Even if the ultraleftists succeed in establishing a "New Constitutional Party," that party is likely to be under the wing by the Association of Constitutional Liberals" [goken riberaru no kai]. The new party will probably be no more than a fringe group consisting of a very few intellectuals and activists.

First Step Toward Abolishing the SDF: Call Them Constitutional

The SDPJ's new policy on the security treaty and the SDF, "The Fight for Peace," adopted at the recent

convention, was based on a draft entitled "Creating Peace." "Creating Peace" was crafted at the initiative of the party's pro-Soviet leftists and adopted at the party's January 1991 convention. This was about one year prior to the collapse of the Soviet Communist Party, with which the SDPJ's left wing was on intimate terms. It is not difficult to surmise that "Creating Peace" is in keeping with Gorbachev's peace strategy. Ironically, this policy unexpectedly came into the spotlight, after the Soviet Union had collapsed, when the Murayama government, now led by the party's former pro-Soviets, came into office.

"The Fight for Peace" is obviously based on the long-term security policy (actually, a disarmament plan) for the 21st century outlined in "Creating Peace." "Creating Peace" itself, just as obviously, is based on "A Model Plan for Disarming the SDF," a draft prepared by the Peace Strategy Study Group [heiwa senryaku kenkyukai], an ultraleftist SDPJ research group. This means that the recent policy shift has been in the offing, under the guidance of this ultraleftist group, for three years.

Readers may remember that the Peace Strategy Study Group was established by former pro-Soviets like Yutaka Shitoma and Sekisuke Nakanishi. It came into being in the summer of 1983, when the European anti-nuclear movement was at its peak. Its platform was opposition to nuclear weapons and promotion of arms reduction and peace. Other groups that followed this same pattern are the Association for the Preservation of the Constitution [kenpo wo ikasu kai], formed by Tada-toshi Akiba; Taiyo (a currently active group of SDPJ Diet representatives), and the National Network for the Revival of a Socialist Party That Defends the Constitution. These groups called themselves the "United Front Against Fascism" during their hard-hitting campaign to form an anti-Ozawa LDP-SDPJ coalition government.

The model for the SDPJ's new position on the SDF is the agreement concluded between the United States and the USSR, *Eight Principles Toward Total Disarmament* (the McCloy-Zorin agreement, September 1961).

The disarmament process, as prescribed by this agreement, is as follows: Both nations will preserve internal order, retain only those troops and facilities necessary to protect the security of their citizens, and provide personnel to the United Nations peacekeeping forces, as agreed.

The agreement stated that, to that end, 1) troops would be disbanded, military facilities (including bases) would be dismantled, weapons production would be halted or permanently discontinued, and there would be a shift toward peaceful goals; 2) the military structure and military organizations would be abolished, troop training would cease, and military training facilities would be closed; and 3) military expenditures would be curtailed.

Looking at this, one can see that the SDPJ has been waving the disarmament flag all along. The document

produced by the Peace Strategy Study Group also describes in detail the nature of disarmament plans that the SDPJ is likely to come up with in the future, but they are omitted here because of their length.

The Impossible Dream: "Platform Revision"

As we mentioned previously, after the 3 September convention the SDPJ factions had converged into two groups, the Murayama group (consisting of the Association for the Promotion of Liberal Social Democratic Politics in Support of the Murayama Government, known as the Murayama faction, and the ultraleftist Taiyo) and the Yamahana faction (the New Democratic League). As far as political reorganization is concerned, both groups are encouraging the social-democratic liberals to assemble a third political force. Positioning the SDPJ as a pivotal minority party that would hold the deciding vote in contests between the LDP and the Shinshinto is the one and only goal on which the party's members might agree and, therefore, the only path open to the SDPJ.

However, views within the party vary wildly, ranging from those of the ultra-left wing, which is opposed to fascism, opposed to Ozawa and Ichikawa, and in favor of an LDP-SDPJ united front (e.g., the ultra-left Taiyo) through those of the right wing, which wants a government that excludes the LDP and the Communist Party (e.g., the Zendentsu group), to those of the social democrats and the liberals, who are opposed to LDP-SDPJ election cooperation. Zentei-affiliated centrists (Yamahana and Tanabe) from the Sohyo bloc in the "old" Socialist Party and the leftist Jichiro (Murayama) group are attempting to merge, in an effort to unite the party, but this will not be an easy task to accomplish.

First of all, the Murayama group opposes Shinseito and the LDP hawks and is waiting for Komeito and the Democratic Socialist Party to change. Its members believe that the political community will divide into three groups: 1) Ozawa, Nakasone, Watanabe, and other hawks; 2) the LDP minus its hawks; and 3) the SDPJ and Sakigake. Their view is that the SDPJ should adopt a flexible stance, and make a sincere effort to attract centrist politicians (the united front idea), since Komeito is riddled with internal problems and since some Japan New Party and DSP members are opposed to joining the hawks to form a "new" new party.

However, even within the Murayama group, there are extremely radical sects, such as Taiyo and the National Network for the Revival of a Socialist Party That Defends the Constitution. The Murayama faction views the LDP-SDPJ coalition government as a fairly long-lasting one. In contrast, the radicals view it as an antifascist resistance, a stopgap government. They say only that the SDPJ had no choice but to thwart Ozawa's plot (a political reorganization plan that called for dismantling the SDPJ), by forming a coalition government with the doves in the LDP, led by Murayama, thus nipping incipient fascism and strong-arm politics in the

bud and protecting democracy in Japan. The radicals are making absolutely no attempt to change their hostile attitude toward Shinseito, Komeito, and the DSP. That is why the Murayama faction cannot clarify its position vis-a-vis the Japan New Party, Komeito, or the DSP.

On that point, the center-leftist Yamahana faction (New Democratic League), which these days is commonly referred to as the right-wing reform faction, also fits into the "social democrats and liberals" classification, but it has adopted a two-pronged strategy designed to create a third political force to compete with the LDP and Shinshinto. It is likely that this strategy was adopted out of consideration for the right-wing Zendentsu and Denki Roren groups.

In an invitation encouraging SDPJ members to join his New Democratic League (formed on 26 August), after appealing for support for the Murayama government, Yamahana wrote the following about political reorganization: "Our duty is not to choose either the LDP or Shinseito. It is to unfurl, and quickly, the banner of a third political force, to work to unite the social democratic and democratic forces, to effect a merger with the DSP and the Democratic Reform Parliamentary Group [minshu kaikaku rengo] and, finally, to form a large democratic force." By "the social democratic forces," Yamahana means the SDPJ, the DSP, and the Democratic Reform Parliamentary Group. He refers to the "liberals" in "social democrats and liberals" as simply "democratic forces," without specifying party names. The reason for this is that the New Democratic League is itself still not unified.

Looking at the Yamahana faction's parent organization, the Association for the Creation of a New Socialist Party, we see that when it was established in September 1993, a group including Jinichi Ogawa, Tetsuo Yamaguchi, and Toshio Inamura, all devout believers in the Socialist Society's [shakai shugi kyokai] (the former incarnation of the Association for the Creation of a New Socialist Party, i.e., the Yamahana faction) credo, left the faction and joined Iwatare and Shitoma in the ultraleftist Taiyo. In response, Yamahana, Sekiyama, Taguchi, Goto, and others joined the center-left Democrats. Their attempt to take over the Democrats met with success. But they, like the members who joined Taiyo, are leftists who continue to embrace the Marxism and Leninism of the Socialist Society. They may make some concessions, but they will not be able to support a centrist platform, one that advocates a government that excludes both the LDP and the Japan Communist Party as the Zendentsu group, for instance, has. They are still allergic to the DSP and Komeito. That is why Yamahana couldn't describe them in terms more specific than "democratic forces."

In contrast, the position of the rightist Zendentsu (from which Rengo chairman Akira Yamagishi hails) is extremely clear. Zendentsu's goals have been: 1) to break up the iron triangle of politicians, bureaucrats, and big business created by long-term LDP government, by

establishing a coalition government that includes the SDPJ, but excludes the LDP; and 2) to promote political reorganization that will produce real political reform. It has vowed to support the Murayama government when such support is appropriate, and to oppose it when necessary. The sort of government this group wants is one that would be achieved by a coalition of SDPJ reformists, the DSP, the Japan New Party, and other social democrats and liberals.

Therefore, Zendentsu plans to continue to support and cooperate with the SDPJ, Komeito, the DSP, Shinseitō, Sakigake, and the Japan New Party in local general elections to be held next spring, the upper house election, and the general election, in accordance with their established policy.

What Zendentsu means when it refers to "social democrats and liberals" is, in terms of political reorganization, a key group consisting of SDPJ reformists, the DSP, and the Japan New Party. As far as election cooperation is concerned, the organization is prepared to support virtually every party, with the exception of the LDP and the Japan Communist Party.

The differences in attitudes toward the Murayama government and political reorganization, currently widening within the SDPJ and Rengo, are reflected in each group's reaction to key policies, i.e., foreign policy and defense policy. Secretary General Kubo (Yamahana faction), who enjoys the support of Zendentsu, comments as follows, referring to the policy adopted at the recent convention, recognizing the security treaty and the SDF. "Next year, we would like to hold a special convention at which we adopt the "1995 declaration," the party program, which will state clearly that we view the SDF as constitutional.

Meanwhile, the Murayama faction's position is that two-thirds of the convention will be required to amend the party platform and covenants. It now views the "Basic Party Policy on the Current Political Scene," which was approved by a majority vote, as the "Basic Party Policy on the Political Community Under the Murayama Government." The faction hasn't uttered a word about the preparation of the "1995 declaration."

Taiyo, true to form, opposes even the drafting of the declaration. Given that the "1993 declaration" prepared by the right wing was torn to shreds by the left wing, Taiyo will balk at the idea of revising the preamble to the party's covenant or the party platform, both of which espouse only a limited socialism, except where they address parliamentary democracy and welfare, which they do in terms of scientific socialism (Marxism and Leninism). The group is even less likely to accept the party's shift on the security treaty and SDF issues.

Since the party's right-wing groups have disappeared, and the leading right-wing labor unions (Zendentsu and Denki Roren) are taking an oblique stance toward the New Democratic League, it will be virtually impossible

to revise the party platform, or to transform the SDPJ into a "modern" party capable of responding with agility to post-cold war domestic and foreign conditions.

Furthermore, if, after Yamagishi's retreat, Zendentsu, under the private sector-dominated group led by Jinno-suke Ashida of Zensen Domei [Japanese Federation of Textile, Garment, Chemical, Distributive, and Allied Industry Workers' Unions] and Etsuya Washio of Tekko Roren [Japanese Federation of Iron and Steel Workers' Unions], retreats further from the political scene, and Jichiro and other members of the Kankoro conglomerate are pressured by left-wing activist groups to become more politically active, relations between Rengo and both the SDPJ and the DSP may become further complicated, causing the situation to become even more desperate.

The Real Reason Why the LDP-SDPJ Team Doesn't Want Reform

What developments can we expect in the relationship between the LDP and the SDPJ? Unless either the LDP or the Shinshinto can maintain a majority in the Diet, the SDPJ will remain the pivotal third party and, as such, will continue its partnership with the LDP.

This is a likely eventuality because both the Murayama and Yamahana factions view the Miyazawa faction as a dove or conservative liberal group, and its members as kindred spirits. On that point, members of the Suiyokai and of the Democrats (formerly referred to as the "right wingers") were in agreement with them. As we stated previously, the Democrats suddenly began to lean toward the idea of an LDP-SDPJ coalition sometime around May. The reason they did so, whether or not there was some intrigue involving members of the Jichiro-affiliated center-leftist Association for the Creation of a New Socialist Party, was that they share the political principles of the party's left wing, which is hell-bent on retaining postwar politics.

In other words, neither the LDP nor the SDPJ can break loose from the consequences of Japan's postwar political goals, a peaceful and prosperous Japan, i.e., the isolation of Japan from the international community, nor can they stop deifying money and goods. A tacit agreement to base Japan's future on postwar democracy has already been formed between the two parties.

That is why neither party can accept the ideas of Ozawa and his adherents, who want to revise postwar politics. Secretary General Kubo made that clear in early August, when he said, "Even if we descend into hell with Ozawa, we won't join with him."

However, when Ozawa says, "Every nation must share the responsibility of solving problems common to the international community as a whole," he is simply expressing his desire to establish new principles in Japan, principles appropriate to the post-cold war world," at least, in the opinion of this writer. In fact, the

Shinshinto's fundamental principles are freedom, fairness, friendship, and interdependence. These principles do not disagree in any major way with those of the SDPJ and, in that the Shinshinto has come up with "friendship" and "interdependence," they are superior to the LDP platform.

The LDP was motivated to select the SDPJ as its coalition partner by two strategic purposes: 1) recapture the reins of government, and 2) weaken the SDPJ or dismantle and then absorb it. LDP members are still not in agreement about whether to weaken or dismantle the SDPJ, but the entire party is in favor of convincing the SDPJ to shift its policies on the SDF and the security treaty.

With the policy shift effected at the recent convention, the SDPJ has lost its spiritual mainstay, and has embarked on the road to dispersion. We may even see a new party formed by ultraleftist activists or regional parties. On the other hand, part of the LDP is reportedly scheming to absorb the SDPJ and create a "new" new party.

At present, the SDPJ's role in the LDP-SDPJ tieup seems to be limited to the SDPJ's "specialties," Diet affairs, and election cooperation. Perhaps these concepts continue to exist because the roots that entwine the two parties run so deep. The establishment of new principles and systems that break out of the postwar framework, and the achievement of true political reform are a long way off.

[Boxed item: Mitsuhiro Uezumi was born in Osaka Prefecture in 1928. After graduating from Kyoto University (Faculty of Law), he accepted a position at SDPJ headquarters. He held positions on the party's Policy Board, in its International Bureau. He resigned from the SDPJ after retiring, and is currently executive director of a planning firm. Among his writings are *Postwar U.S. Far Eastern Policy* and *The Rise and Fall of the Japan Socialist Party*.]

Fujitsu To Upgrade Information Network System

OW2312134894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Dec 94 Morning Edition p 13

[FBIS Translated Text] Fujitsu Ltd. will reorganize its information network in three years from FY95. The new network will be extended to key production bases overseas including ICL in the UK and Amdahl Corp. in the United States. The new, high-speed network—capable of transmitting image and voice data more effectively—is expected to cost approximately Y20 billion [yen]. The new network—by which both domestic and overseas production bases, plants, and sales departments will be connected and provided with the same information—is aimed at hastening the managements decisionmaking and increasing the productivity of white-collar workers. Since Fujitsu is making efforts to expand sales of its

multimedia information system, it believes that establishing its own up-to-date worldwide information system will help increase sales.

Currently, Fujitsu has a local area network (LAN) within each production base both at home and abroad. Fujitsu plans to establish a "Fujitsu Information Highway" by linking each LAN at key bases through wide area networks (WAN), using high-speed circuits. At the outset, Fujitsu will reorganize its domestic information network, planning to upgrade its information network by next August by changing intra-company lines connecting 280 operating bases, including the headquarters, plants, sales branches, and software production centers to transmission lines that are particularly useful for transmitting and receiving characters.

By the end of next year Fujitsu also plans to connect the new information network to key business centers in European nations and the United States, including ICL and Amdahl, in China and Southeast Asia, as well as to major affiliated companies in Japan, using high-speed lines. After that, Fujitsu plans to introduce lines that have more transmission speed in preparation for future multimedia networks on which image data can be transmitted.

With the new information network, domestic and foreign employees of Fujitsu, from their computers, will be able to access such in-house information as Fujitsu group's technical data, information on new products, sales charts for each product, and send new products development proposals and other information. Through such an exchange of information, white-collar employees' business efficiency will increase, Fujitsu said. The new network system will also make it easier for the management side to grasp Fujitsu group's overall business activities, thus helping the management make business policies.

Fujitsu is basing the "Fujitsu Information Highway" on a distributed information system called a "Client Server" (C.S.) system—set at operating centers of the group. Under the plan, C.S.'s will be connected with each other so that the exchange of information will be more efficient. the "Fujitsu Information Highway" will be the typical information network established within a company. With the downsizing tendency (shift to compact computers) in the background, computer manufacturers are taking a great interest in sales. Fujitsu for its part, after building its own, large-scale information network using the C.S. system and learning know-how on effective use of the network, aims to increase its sales by explaining its experience and the advantages of its computer information network.

Ministry Mulls Merging Marine, Rail Bodies

OW2612052794 Tokyo KYODO in English 0444 GMT 26 Dec 94

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO—Faced with mounting pressure to restructure government-linked organizations, the Transport Ministry is

considering combining marine and rail public corporations into one transportation body, ministry officials said Monday [26 December].

In a midterm report to be submitted to Chief Cabinet Secretary Kozo Igarashi later in the day, the ministry reports that it is considering a merger of the Maritime Credit Corp. and the Railway Development Fund, they said.

The ministry will include reference to the possibility of the merger in a final report Feb. 10, the officials said.

The move is to come as ministry and agency heads visit Igarashi during the day to report on administrative reforms after the cabinet approved Sunday the government's reform outline, which includes a review of the nation's 92 government-backed public corporations.

Public corporations, many of which are essentially idle, have attracted criticism as havens for retired bureaucrats that do little more than waste taxpayers' money.

Three such corporations, including the Marine Corporation, have been targeted for abolition by coalition member New Party Sakigake [Harbinger] whose head Masayoshi Takemura is the finance minister. The two others are the Livestock Industry Promotion Corp. and the Japan Raw Silk and Sugar Stabilization Agency, which are both affiliated with the Agriculture, Forestry and Fisheries Ministry.

The Maritime Credit Corp., founded in 1959, has five board members and 78 employees. When small and midsize domestic shipping companies want a ship built, the Maritime Credit Corp. takes joint ownership with the private company, provides low-interest loans, and sells its interest in the ship to the private company at a set time.

The Railway Development Fund uses government subsidies and proceeds of the sale of the nation's Shinkansen bullet train system to offer low-interest loans for the construction of new Shinkansen and subway lines.

The restructuring under consideration by the Transport Ministry would reduce the number of directors currently attached to the two corporations and would reduce the workforce in accounting and other administration areas, the officials said.

North Korea

Further Reports on U.S. Helicopter Incident

KCNA 'Detailed Report'

SK2712045294 Pyongyang KCNA in English 0440
GMT 27 Dec 94

["Detailed Report on U.S. Copter Case"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—The Korean Central News Agency, upon authorization, issued the following detailed report on the U.S. military helicopter case on Monday [26 December]:

As already reported, a U.S. reconnaissance helicopter was shot down after intruding deep into the airspace of the DPRK on December 17.

At ten, December 17, an OH 58A/C U.S. reconnaissance helicopter took off at Chunchon Airport, South Korean Kangwon Province, and made a flight toward the Military Demarcation Line (MDL) in the sky along the Soyang River.

At about 10:35 [0135 GMT], the helicopter began intruding into the airspace of the DPRK through the sky above an area near MDL Marker 1185.

At the time, the altitude of the helicopter was 400 metres.

Soldiers of the Korean People's Army, who were in full combat preparedness, sent warning signals twice to the illegally intruding helicopter.

But, the helicopter continued flying northward along a ravine in favour of reconnaissance flight, lowering the altitude and intruded into the sky above the area of Ipo-ri, Kumgang County, Kangwon Province, seven kilometres north of the central Military Demarcation Line.

Antiair gunners of the Korean People's Army, whose honorable mission it is to defend the party and the leader with their lives and safeguard the socialist motherland with arms, could not but take a self-defensive measure because the U.S. helicopter intruded deep into their airspace despite repeated warnings.

At about 10:45 [0145 GMT], the helicopter was hit at one shot and fell aflame to the ravine 38 degrees 24 minutes 18 seconds North latitude and 728 degrees 11 minutes 30 seconds East longitude.

One of the two pilots aboard the helicopter, Chief Warrant Officer David M. Hilemon (Army number 539 80 0571), was dead and the other pilot, Chief Warrant Officer Bobby Hall (Army number 267 35 1263), was captured. According to the investigation hitherto, the intrusion of the U.S. helicopter into the airspace of the DPRK has turned out not to have been an "accidental case" caused by a "mistake" in a mere training flight. The downed helicopter is a watch-dog and reconnaissance helicopter of OH 58A/C type which belongs to 4th Battalion, 501st Aviation Regiment, 17th Combat Wing of the U.S. Eighth Army occupying South Korea. It was perfectly armed with high-performance apparatuses for military operations like the Apache, Cobra and other new-type U.S. combat helicopter.

David M. Hileman, who piloted the helicopter in question, was an experienced pilot.

It is practically impossible for this pilot to mistake the terrain at such a low altitude as to distinguish anything easily with his naked eyes in a clear weather.

Moreover, the fact that the helicopter did not respond to our warning signals but tried to escape from the airspace of the DPRK eloquently proves that the intrusion was not a "navigation error."

As a matter of fact, it is not understandable to anyone that the U.S. forces, which conduct espionage on the DPRK day and night while occupying South Korea, caused an incident of "navigation error" of the "reconnaissance helicopter, not an ordinary plane," in the sky above the Military Demarcation Line, the most sensitive area.

All the facts clearly prove that the intrusion of the U.S. helicopter into the airspace of the DPRK is a grave violation of the sovereignty of the DPRK and a deliberate act for espionage on it.

This being the fact, the bellicose quarters of the United States are attempting to resolve the problem through pressure while trying to conceal the truth of the incident.

Detaining and investigating criminals is a matter related to our legitimate sovereignty.

But, some bellicose quarters of the United States, being the offender, demanded "immediate repatriation of pilots" even before we, who are the victim, began investigation into the incident. They even threaten the DPRK, saying that unless their demand is met, it will "seriously affect" the implementation of the framework agreement between the DPRK and the United States.

The dominant views of the world public concerning the incident are that some dishonest quarters of the United States scheme to deliberately aggravate the tensions in a bid to hamper the implementation of the DPRK-USA framework agreement.

If the bellicose quarters of the United States, ignoring the trend of the situation, continue going against the process of detente on the Korean peninsula, no one can vouch that such incident will not recur.

It is clear to anyone that such a grave incident as the current one cannot be prevented or dealt with between the hostile warring sides today when the armistice agreement remains only in name and the armistice supervisory mechanism is broken on the Korean peninsula.

However, the U.S. military has turned a deaf ear to our proposal for establishing a new negotiation mechanism. This makes us suspect that they anticipated today's incident.

As the investigation on the captured pilot deepens, the purpose of the intrusion of the U.S. helicopter is becoming clearer.

In view of the seriousness of the incident, we cannot but investigate the truth of the incident more deeply.

Whatever anyone may say, we will continue our investigation under our military law and deal with the incident according to it.

If this affects the relations between the DPRK and the United States, the bellicose quarters of the United States will entirely be blamed for it.

If the United States truly wants a smooth solution to the incident, it must admit its responsibility as the offender and clearly show an honest and reasonable attitude before it is too late.

Our revolutionary armed forces will firmly defend the security of the motherland and the sovereignty of the country and will never pardon anyone who intrudes into their land, sea and sky even 0.001 millimetre.

Radio Carries KCNA 'Detailed Report'

*SK2612231394 Pyongyang Korean Central
Broadcasting Network in Korean 2110 GMT 26 Dec 94*

[FBIS Translated Text] A detailed report [sangbo] on the U.S. helicopter incident:

Upon authorization, KCNA announces the following detailed report:

As has already been reported, an incident on 17 December in which a U.S. reconnaissance helicopter was shot down while invading [chimip] our territorial airspace occurred.

Around 1000 [0100 GMT] on 17 December, an OH-58 AC-type U.S. reconnaissance helicopter took off from an airfield near Chunchon in Kangwon Province in the South Korean area and flew toward the Military Demarcation Line [MDL] over the Soyang River.

Around 1035 [0135 GMT], the U.S. helicopter intruded into our territorial airspace over MDL signal No.1185. The altitude of the U.S. helicopter at that time was 400 meters.

Fighters of the Korean People's Army [KPA], who assumed a stance of full preparation for combat, sent out two warning signals. Nonetheless, the U.S. helicopter further lowered its altitude and flew toward the North along gorges favored for espionage flying. It invaded [chimip] the sky over the area of Ipo-ri, Kumgang County, Kangwon Province, which is 7 km from the MDL. Anti-aircraft artillery of the KPA, who have the honorable mission of defending the party and the leader with their lives and of defending the socialist fatherland with arms, could not but take self-defensive measures [chawijok chochirul chwhihaji annulsu opsuda] under the condition in which the U.S. helicopter deeply invaded [chimip] our territorial airspace, ignoring repeated warnings.

Around 1045 [0145 GMT], the U.S. helicopter was hit by single fire [tanbange myongjungdoeo] and brought down in a gorge that lies at 38 degrees 24 minutes 18 seconds North latitude and 128 degrees 11 minutes 30 seconds East longitude, engulfed in fire. Chief Warrant Officer David Hilemon (serial number 539800571), who was aboard the helicopter, died; Chief Warrant Officer Bobby Hall (serial number 267352263), who was the pilot, was captured.

According to data from our investigation, the U.S. helicopter's invasion [chimip] of our territorial airspace is not an accidental [ubalchogin] incident caused by carelessness during a flight exercise.

The downed U.S. helicopter is an OH-58 AC-type observation and reconnaissance [kamsi chongchal] helicopter which belongs to the 5014th Battalion, 17th Combat Aviation Brigade under the direct control of the U.S. imperialist 8th Army occupying South Korea. It was completely equipped with high-performance equipment capable of participating in military operations along with such new-type U.S. combat helicopters as the Apache and Cobra.

David Hilemon who operated this helicopter is a pilot with much flying experience. It is practically inconceivable for such a pilot to fail to distinguish the terrain and features under fine and clear weather and at low altitude, from which he can easily observe them. [iroham chojongsaga malkee kaein nalssie yuganurodo shwipke karyobolsu innun najunkodoeso chihyong chimurl hotkallindanun koson silchonjoguro issulu omnun irida.] Furthermore, the fact that this helicopter attempted to escape our area following our warning signals without responding to them intuitively proves it was not an incident resulting from a deviation from its routine flight course.

That the U.S. forces occupying South Korea, forces which wage spy activities against us day and night, have triggered in the sky over the most acute Military Demarcation Line an incident in which a reconnaissance aircraft, not a normal aircraft, deviated from its routine flight course is a problem which is unacceptable to anyone.

All these facts clearly show the invasion [chimip] of our territorial airspace by the U.S. helicopter is a grave violation [omjunghan chimhae] of our sovereignty and an intentional act of espionage [uidojogin chongtam haengwi]. Nonetheless, even though the facts are this, the bellicose class in the United States attempts to hide the truth of the incident and to solve the problem in a high-handed manner. Detaining and investigating a criminal is an affair that belongs to our just sovereignty.

However, some bellicose elements in the United States, which is the injurer, called for the immediate return of the pilots even before we, the victim, had begun investigating the incident. They also threatened us by clamoring that in case their demands failed to be met, this would have a grave influence on the implementation of the DPRK-U.S. agreement.

The prevailing world view on this incident is that some insidious class in the United States intentionally attempted to create a tense situation in a bid to hinder the course of implementing the DPRK-U.S. agreement.

If bellicose elements in the United States continue to advance along the road of reversing detente on the Korean peninsula while turning away the current developing situation, there will be no guarantee such incidents will not recur.

Under today's conditions in which the armistice agreement on the Korean peninsula has become a scrap of paper [yumyongmusil] and the armistice watch organ has been broken off, it is clear to everyone that both sides of the battle who remain hostile to each other could not prevent or avoid the current incident.

Nonetheless, U.S. military circles have repeatedly turned away from our proposal to establish a new negotiation organ. This compels us to suspiciously view this as an act which foresaw today's incident. [onugwagatun sataerul yegyonhan haengdongi aningahanun uisimmajo kakehago ita]

As further investigations on the captured pilot are conducted, the more the purpose of the U.S. reconnaissance helicopter's invasion [chimip] of the republic's territorial airspace has become clear.

In light of the gravity of the incident, we cannot but deeply dig into the truth of this incident [sataeui omjungsonguro poa urinun ibon sagonui chinsangul to kipi pahecho poji annulsu opta].

No matter what anyone may say, we will continue to conduct an investigation that meets our military codes [kunbop] and will handle this matter in accordance with them. [kunuga muosiragohaedo urinun chagiui kunbobe tarunun chosarul kyesokhalgosimyo kue tara chorihalgosida]. In the event any influence is exerted upon DPRK-U.S. relations by this incident, the bellicose class in the United States will bear total responsibility for this.

If the United States truly hopes for a smooth solution to this incident, it should surely admit its responsibility as an assailant and should clearly show an honest and rational stance.

Our revolutionary armed forces will impregably defend the security of the fatherland and the sovereignty of the country, and will never forgive those who infringe upon our land, our sea, and our sky even a 0.001 of a millimeter.

[Dated] 26 December 1994, Pyongyang

Investigation To Continue

SK2712042994 Pyongyang KCNA in English 0424
GMT 27 Dec 94

["We Will Continue Investigation Into U.S. Copter Case and Deal With It Under Our Military Law"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—The intrusion of the U.S. military helicopter into the territorial airspace of the DPRK on December 17 has clearly turned out not to be an "accidental case" caused by a "mistake" in a training flight, but to be a deliberate act for espionage.

This is declared in a detailed report on the U.S. helicopter case.

The report was issued by the Korean Central News Agency, upon authorization, on Monday [26 December].

The report says:

As the investigation on the captured pilot deepens, the purpose of the intrusion of the U.S. reconnaissance helicopter is becoming more and more clear.

This being the fact, the bellicose quarters of the United States are attempting to resolve the problem through pressure while trying to conceal the truth of the incident.

Detaining and investigating criminals is a matter related to our dignified sovereignty.

In view of the seriousness of the incident, we cannot but investigate the truth of the incident more deeply.

Whatever anyone may say, we will continue our investigation under our military law and deal with the incident according to it.

If this affects the relations between the DPRK and the United States, the bellicose quarters of the United States will entirely be blamed for it.

If the United States truly wants a smooth solution to the incident, it must admit its responsibility as the offender and clearly show an honest and reasonable attitude before it is too late.

Our revolutionary Armed Forces will firmly defend the security of the motherland and the sovereignty of the country and will never pardon anyone who intrudes into their land, sea and sky even 0.001 millimetre.

U.S., ROK 'Air War Exercise' Denounced

SK2412043794 *Pyongyang KCNA in English 0430*
GMT 24 Dec 94

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—The U.S. imperialist warmaniacs Thursday [22 December] staged another round of joint air war exercise with the South Korean puppets for a surprise strike at the North with the skies above Oeyon Island and Yongdong area as the operational theatre, according to military sources.

Flown in the drill were ten odd overseas-based assault planes and more than 420 fighter-bombers, assault planes and reconnaissance planes of the U.S. Seventh Airforce and the puppet airforce.

In another development, a group of heavy tanks, a 105 mm artillery group and one hundred and dozens of armed bandits of the puppet army fired some 400 shells and 800 large-calibre machinegun and automatic rifle bullets in the western and central sectors of the front, inciting the fever of confrontation. Several helicopters of the puppet army staged an exercise of striking imaginary targets of the North, making ultra-low flights.

South Demands Punishment of U.S. 'Criminals'

SK2512083194 *Pyongyang KCNA in English 0802*
GMT 25 Dec 94

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—The headquarters of the Movement for Preventing the Crime of the U.S. troops in South Korea charged that the U.S. troops' refusal to respond to subpoena and investigation into their forcible detainment of and violence against South Korean civilians is a mockery of the nation, Seoul-based radio said.

The organization released a statement on December 22 condemning the U.S. military policemen' outrages against a South Korean woman and her daughter and strongly demanded that the South Korean authorities probe the truth behind the atrocities of the U.S. troops, exercise jurisdiction over the U.S. Army criminals and severely punish them.

Paper Comments on ROK's Cabinet Reshuffle

SK2512083294 *Pyongyang KCNA in English 0821*
GMT 25 Dec 94

["Cabinet Reshuffle" to Tide Over Crisis"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—NODONG SINMUN today comments on the recent "cabinet reshuffle" made by Kim Yong-sam of South Korea, the sixth of its kind in less than two years after he came to power.

The traitor Kim Yong-sam "appointed" Yi Hong-ku the puppet prime minister on December 17 and changed more than 80 percent of "ministers" on the 23rd.

The "cabinet shake-up" was motivated by a sinister intention of the traitor to shove off the responsibility for the failure of the "civilian" regime's policy entirely to his servants and save himself who should be held entirely responsible for it. It was also designed to get off the hook and achieve the "stability of the regime" by building up the foundations of his power with more vicious servants, the news analyst says, and continues:

The traitor appointed thirteen fellows of the "Yusin" and "Fifth and Sixth Republics" military fascist forces to the posts of major "ministers". This was aimed at saving the ruling crisis in such a way as to further intensify the traitorous rule in league with dictatorial forces of the "Fifth and Sixth Republics" at a time when the people

are lifting up voices protesting the total failure of the "policy of reforms" and the friction has become acute in the puppet ruling quarters.

The puppets are blaring that they will "improve North-South relations" after the latest "reshuffle". But this is a sheer lie. As we see in the fact that those who had taken the lead in the anti-communist confrontation from the period of the "Fifth and Sixth Republics" took office as "unification and security-related ministers", the "reshuffle" will result only in further intensifying the anti-communist confrontation policy so that the inter-Korean relations may go from bad to worse and another obstacle may be laid in the way of the reunification.

The traitor Kim must not attempt to get out of woods with such clumsy political dramas as "cabinet shake-up" and "restructuring" but step down from power without delay as demanded by the South Korean people, assuming the responsibility for the heinous crimes against history and people.

Daily Criticizes 'Traitor' Kim Yong-sam

OW2312135994 Pyongyang KCNA in English 1017 GMT 23 Dec 94

["No Room for Traitors Within Nation"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—The Kim Yong-sam group of cursed traitors who are forsaken by the people, having caused all kinds of social misfortunes, sufferings and disasters in South Korea, have no place to remain within the nation, declares NODONG SINMUN today.

In a by-lined article titled "No Room for Traitors Within the Nation," the paper says:

The traitor Kim Yong-sam, forsaken by all people, has become the target of their denunciation and resistance. And he has no one but himself to blame for this, having been indulged in treacheries [as received] since he came to power.

The article enumerates his crimes in desperately trying to slay the fellow countrymen in the North, hand in glove with outside forces in nuclear clamour, and persistently seeking military adventures against the North and his heinous crimes when a misfortune befell the North.

The article further says:

The Kim Yong-sam group has brutally suppressed patriotic people desirous of independence, democracy and reunification, labeling them as "pro-communist elements benefitting the enemy" and "spies" by invoking the notorious "National Security Law" which defines the fellow countrymen in the North as the "enemy." And Kim Yong-sam blared that "unification under the liberal democratic system" is invariable "dream" and "goal." Such acts can be committed only by traitors estranged from the nation.

The traitor Kim Yong-sam threw away like a pair of old shoes his "commitment" to defend, at least, the rice market, which he made when taking office, and liberalized rice import, betraying the vital interests of the South Korean people.

It is clear to everyone that such a despicable flunkeyist and traitor without an equal who does not hesitate to do harm to the fellow countrymen, following outside forces, and make scapegoats out of national interests for the maintenance of power, has no place to remain within the nation.

There will be no change in the disposition of the traitor Kim Yong-sam who commits treacheries at others' beck and call with neither philosophy nor political faith nor principle.

Commentary on South's Nuclear Waste Site

Site Condemned

SK2712113994 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 26 Dec 94

[Commentary by Kim Ho-sam: "Another Grave Unparalleled Crime by Nuclear Fanatics"]

[FBIS Translated Text] The traitor Kim Yong-sam, a vicious warmonger, committed another grave unparalleled crime before the whole nation.

According to a radio report from Seoul, the South Korean puppets have finally designated the nuclear waste storage site, which they have been withholding up to now.

According to reports, a meeting of the so-called committee for promotion of radioactive wastes management work was held on 22 December chaired by the new puppet prime minister, and a meeting of the so-called atomic energy committee was held under the chairmanship of the puppet deputy prime minister. At the meetings, the puppets decided to build a nuclear waste storage site in Kurop Island, Tokchok Myon, Ongjin County, Kyonggi Province, which is close to our side's area in the Military Demarcation Line.

This unjust act committed by the Kim Yong-sam group is another never-to-be-pardoned criminal maneuver aimed at inflicting nuclear calamities on all of our Korean people.

The South Korean people from all walks of life held gatherings and staged demonstrations in succession to demand immediate cancellation of this antinational decision made by the murderous Kim Yong-sam clique, and announced statements of protests. This is just by all means.

As everyone knows, because of the reckless nuclear development scheme of the Kim Yong-sam group, a large quantity of nuclear wastes have been generated today in South Korea.

According to reports, even by the South Korean nuclear energy yearbook, nuclear wastes dumped by the South Korean puppets for the past seven years from 1986 to 1992—solid nuclear waste alone, apart from liquid and gaseous nuclear wastes—amounts to 2,934 drums.

Since the South Korean puppets carelessly dumped nuclear wastes in all places in the past, residents in many areas in South Korea, including North Kyongsang Province, South Cholla Province, and South Chungchong Province, protested to the puppets. This is a fact well known to all.

As is known to all, because of its radioactivity, nuclear waste causes irretrievable impact on organisms. Because of radioactive damage in South Korea today, a large number of fishes have been found dead, deformed children have been born, and women have become sterile.

Not satisfied with such a grave crime committed against South Korean people, the Kim Yong-sam group is scheming to commit this crime even against the people in the Northern half of the Republic.

It is as clear as fire that if the nuclear waste storage site is built in Kulop Island, not only the mountain and surrounding seas will be (?contaminated), but also marine resources including breeding of fishes and marine products, such as laver and sea weed, on the sea in our side, which is linked to the site, will be affected.

Indeed, we cannot but view the Kim Yong-sam ring's attempt to build the nuclear waste storage facility on Kulop Island as the puppets' new grave provocation against our Republic. Our people can never sit back and overlook the Kim Yong-sam ring's reckless and criminal maneuver to inflict a nuclear calamity on the entire Korean nation. We gravely view their (?maneuvers) and [passage indistinct]. Our people will never tolerate, but will liquidate without fail the crime, which will curse a thousand generations, committed by the Kim Yong-sam ring, which is attempting to inflict nuclear calamity on the sea, not content with giving the entire South Korean land to the imperialists for use as a nuclear forward base.

The Kim Yong-sam ring should ponder over the consequences to be brought about to the entire nation by their actions. The London (?declaration) adopted in England in December 1993, said that even officially recognized districts where nuclear wastes can be dumped into deep seas after being firmly packed to prevent leakage of radiation, is not safe, and prohibited such disposition. In other words, the (?primary) waste should never be disposed of in the sea in any case.

The Kim Yong-sam ring's act more clearly shows the rascals are villains without the basic conscience of mankind, and are matchless hooligans who even disregard international law. In fact, even previous military dictators did not dare to build nuclear waste storage sites near our Republic, but the traitor Kim Yong-sam did it

without hesitation. This irrefutably explains that the rascal is a traitor far worse than the previous dictators.

We sternly denounce the Kim Yong-sam ring's maneuver to build a nuclear waste storage site on Kulop Island of Tokchok-myon, Ongjin County, Kyonggi Province in the name of all the Korean people and [passage indistinct] such a maneuver. If the Kim Yong-sam ring proceeds with the construction of the nuclear waste storage despite our warnings, it will be held totally responsible for all the consequences arising therefrom.

Decision To Build Denounced

SK2712053794 *Pyongyang KCNA in English 0512*
GMT 27 Dec 94

["Another Provocation of Traitorous Group"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—NODONG SINMUN and MINJU CHOSON today hit out at the scheme of the Kim Yong-sam group to build a nuclear waste dump on an island near the north side in the West Sea of Korea.

The final decision of the Kim Yong-sam group to build a nuclear waste dump on Kulop Island, Tokjok-myon, Ongjin County, Kyonggi Province, near the Ongjin Peninsula of the north side is an open provocation against our republic and the entire people and a malicious act to inflict upon the North the harm of radioactive substances from which the South Korean people and ecology are suffering, NODONG SINMUN says, and goes on:

This scheme of the Kim Yong-sam group is an unpardonable criminal act in view of the international laws including the London Accord adopted in November last year demanding a total ban on dumping radioactive waste into the sea.

So, the criminal plan must be withdrawn unconditionally at once.

The analyst notes that the decision of the present "regime" under the "civilian" mask to build a nuclear waste dump in an island close to the northern half of the country, which its predecessor had not dared to, indicates that the Kim Yong-sam group is, indeed, a gang of traitors who seek inter-Korean confrontation more zealously than the military dictators and run amuck to do harm to the fellow countrymen, a herd of hooligans of worst type who are clean indifferent to international laws.

A MINJU CHOSON analyst warns that if the Kim Yong-sam group turn Kulop Island into a nuclear waste dump, it will be held wholly responsible for the grave consequences arising therefrom and will face a stern judgment by the whole nation.

Abolition of South's Security Law Urged

SK2612044294 *Pyongyang KCNA in English 0432*
GMT 26 Dec 94

["Repeal of 'National Security Law' of South Korea Urged"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The abolition of the "National Security Law" (NSL) of South Korea, a product of the Cold War era and a symbol of confrontation, is a prerequisite to achieving the reunification of the country through the great unity of the whole nation, declares Yi Chun-ha, member of the Central Committee of the North side headquarters of the National Alliance for the Country's Reunification (Pom-minnyon), in an article contributed to NODONG SINMUN today.

He says:

The great unity of the whole nation must be achieved to accomplish at any cost the historical cause of national reunification on which the destinies of the seventy million fellow countrymen are staked. To this end, all legal, institutional and physical barriers to the great unity of the nation must be removed.

It is the most urgent requirement for the reunification of the country through the great national unity to make the "NSL" of South Korea scrapped. This is because it is an anti-national, anti-reunification splittist evil law barring genuine reconciliation and unity of the nation and because it is an anti-democratic inhumane fascist law which has fascistized the South Korean society and turned South Korea into a barren land of human rights.

The law is an anti-historical evil law going against the trend of the present time.

There is neither pretext nor ground to maintain the "NSL" today when the confrontation between the East and the West has come to an end and detente is a trend. Judging from the viewpoint of human rights, such a murderous evil law as the "NSL" can not be allowed to exist because democracy and the defence of human rights are the universal requirement and flow of the times.

South Writer 'Prosecuted' for Freedom of Creation

SK2712050694 *Pyongyang KCNA in English 0452*
GMT 27 Dec 94

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—The Public Security Department of the puppet Seoul District Prosecutor's Office on December 23 prosecuted without detention Chong Chi-a, the writer of the novel "The Daughter of the Guerrillas", by invoking the "National Security Law [NSL]," the worst law in history, according to a radio report from Seoul.

The fascist clique charged that the writer described the guerrillas as patriotic fighters who fought for the proletarians against dictatorship in the novel "The Daughter of Guerrillas" consisting of three volumes in December 1990.

The freedom of creation is a basic right of man.

It is entirely just and praiseworthy that Chong Chi-a defended people who fought against the dictatorship in the work, depicting truth.

Nevertheless, the fascist clique cracked down on the writer by invoking the "National Security Law". This shows that this "law" is a fascist law trampling underfoot even the freedom of creation and they are the enemy estranged from the people.

The "NSL", an evil law denying the basic right of man, must be scrapped and the suppression of the writer who defended truth be stopped.

Poster Lauding Kim Reportedly Hung in ROK

OW2712133594 *Pyongyang KCNA in English 1001*
GMT 27 Dec 94

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—A wallpaper lauding the Great Leader Comrade Kim Chong-il was pasted on a company building in Jinyang County, south Kyongsang Province, in mid-November, the Seoul-based Radio Voice of National Salvation reported quoting an information of the provincial committee of the South Korean National Democratic Front.

The wallpaper six metres long and 50 centimetres wide read: "General Kim Chong-il is the leader of the Tangun nation. Let us 70 million Koreans uphold General Kim Chong-il with a single heart council for the promotion of independence, democracy and reunification."

South Korea, Israel Hold 'Sinister Confab'

SK2312121794 *Pyongyang KCNA in English 1100*
GMT 23 Dec 94

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—During his recent trip to South Korea, Israeli Prime Minister Rabin had a sinister confab with the traitor Kim Yong-sam over the DPRK's "sale of missiles" and "transfer of nuclear technology," a sheer fiction, radio reports from Seoul said.

The confab was motivated by a sinister political purpose of concealing their reinforcement of mass-destruction weapons and nuclear armament, obstructing the implementation of the DPRK-USA framework agreement and impairing the image of the DPRK.

Lurking behind it was also the criminal intention of the South Korean rulers and the Israeli authorities to tighten military tieup and encourage each other in the puppets' bellicose acts for overpowering the North by force of arms and in Israel's expansionist ambition for military predominance in the Middle East.

It must not go unnoticed that Rabin at a press conference seriously got on the nerve of the DPRK over "normalization of relations."

Radio no. 1 of South Korea December 16 quoted Rabin as telling the press conference that he had "no idea of negotiating with North Korea for the normalization of relations as long as it provides long-range missiles to terrorist states in the Middle East" and that though Israel

"had a contact with North Korea over its missile problem" at the beginning of last year, "it was a big mistake."

If this is true, we cannot but decisively refute Rabin's absurd remarks.

It is ridiculous and impudent of Rabin to say that he "has no idea of negotiating with North Korea for the normalization of relations." It is a mockery of the DPRK.

We have never thought of normalization of relations with Israel, the chief obstacle to peace in the Middle East, nor have we felt the need at all.

Rabin's argument about "negotiation" is a tragic comedy.

In view of his balderdash about "normalization of relations" he is a senseless guy who does not mind his p's and q's.

What is more disgusting is Rabin's mean attitude toward South Korea.

Rabin confessed his "mistake" in the major foreign policy before paid media of the colonial puppet who has the real power nor say. This fully revealed Israel's servility toward South Korea.

It was ridiculous of Rabin to utter indiscreet words impairing his own image in a bid to obtain some dollars from South Korea and gain support for Israel's expansionist ambition by making sheep's eyes at Kim Yong-sam and winning his favor.

Facts clearly show that Rabin's Seoul trip was a criminal one to tighten military tieup with the South Korean puppets, encourage the puppets' war provocation moves against the North and intensify Israel's move for expanding domination in the Middle East.

This is, however, an anachronistic act and the last-ditch effort of those elbowed out of the trend of the times.

Rabin and Kim Yong-sam must act with discretion, looking straight at the desire of the times for peace and security on the Korean peninsula and in the rest of the world.

ROK Navy Docking at Japanese Port Denounced

SK2512013294 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 21 Dec 94

[FBIS Translated Text] According to reports, the puppet South Korean naval armada made a call at Tokyo port, Japan, on 20 December under the placard of so-called exchange visits. It has been reported that the puppet naval armada made up of several vessels will make a so-called exchange visit with the Japanese Self-Defense Navy from 20 to 23 December. The call at a Japanese port by the puppet naval armada was made under a program of exchange visits agreed upon by the puppet defense minister and the Japanese counterpart minister

when the former visited Japan in April. This shows that the military collusion between the South Korean puppets and the Japanese reactionaries is being strengthened.

Japan's Bid for UNSC Seat Denounced

SK2412101194 Pyongyang KCNA in English 1001 GMT 24 Dec 94

["Japan Should Know Her Position"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—The Japanese foreign minister recently contended that, if Japan became a permanent member, the U.N. Security Council [UNSC] would gain "benefit" from her because she bans arms export under "three principles of the export of weapons".

Dismissing this argument as a ridiculous claim, a NODONG SINMUN analyst today says:

Japan is jointly developing and manufacturing ultra-modern military equipment with her allies, exchanging advanced technologies of arms, under the pretext of "security" and "joint response." Her advertisement of "three principles of the export of weapons" is a crafty ruse to mislead public opinion at home and abroad and cover up her moves to strengthen military cooperation and tieup with her "friends".

No less preposterous is the argument of the Japanese authorities that if she became a permanent member, she could play a big role in nuclear disarmament and it would be "beneficial" to other non-nuclear states, because she is a non-nuclear state.

There is no doubt that, if Japan were made a permanent member, she would openly step up her conversion into a nuclear power under the pretext of the possession of nuclear weapons by other permanent members and infringe upon the interests of the non-nuclear states, behaving more arrogantly.

The trumpeting of the Japanese ruling circles about "benefit" and "international contribution" is no more than an artifice to attain her sinister purpose by winning the favor of the world public. Unless Japan properly atone for her past crimes, she can hardly expect international confidence and support and, accordingly, cannot be a permanent member.

'Analyst' Cites Japanese 'Distortion' of History

OW2312140994 Pyongyang KCNA in English 1007 GMT 23 Dec 94

["Crafty Trick"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—Schemes are surfacing in Japan to railroad resolutions embellishing the war of aggression through the December regular sessions of the local assemblies, according to Japanese papers. Such resolutions have

already been rammed through the Aichi, Chiba, Gifu and several other assemblies.

Noting that this drama is being played under the backstage manipulation and zealous cooperation of the Liberal Democratic Party, the No. 1 ruling party, a NODONG SINMUN analyst today says:

This shows that the brazen distortion of history is being committed in an organizational way throughout Japan under the baton of the Japanese authorities. This is an intolerable insult to and mockery of the Asian peoples and human conscience.

It is an undeniable historical fact that the aggression and war of old Japan were aimed at turning vast areas of the Asia-Pacific region into its colonies and subjecting them to unrestrained exploitation and plunder. Nevertheless, the Japanese reactionaries are trying to beautify the Japanese imperialists' war of aggression. This indicates that their aggressive nature remains unchanged.

Facing a strong rebuff at home and abroad in denying the past of aggression and fostering militarism, they are now, cunningly enough, employing the artifice of embellishing and justifying the past war of aggression at lower units first.

The Japanese reactionaries must give up their foolish attempt and honestly and fully liquidate Japan's past crimes above all.

Korean-Americans Demand Japan Compensation

*SK2712044394 Pyongyang KCNA in English 0400
GMT 27 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The "Association of Korean-Americans on Matters of Volunteers Corps", a human rights organization, on December 22 sent a document urging compensation to "comfort women for the army" to the Japanese and U.S. missions in the United Nations, a foreign report said.

The document bore more than 11,000 signatures.

The chairman of the association said an apology alone is not enough for Japan to settle the "comfort women" issue and demanded that compensation be made.

He said pictures and data concerning the "comfort women" issue would be displayed in the United Nations next year.

Chongnyon Visiting Group Arrives

*SK2612133694 Pyongyang KCNA in English 1018
GMT 26 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The 230th short-term home visiting group of Korean residents in Japan [Chongnyon] arrived in Wonsan by the ship "Mangyongbong-92" Sunday. It was greeted by officials concerned at the wharf.

Japan's Pomminnyon Head Notes Tasks Ahead

*SK2512084594 Pyongyang KCNA in English 0807
GMT 25 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—Kang Chong-hon, director of the secretariat of the Japan regional headquarters of the National Alliance for the Country's Reunification (Pomminnyon), said that Pomminnyon in the van of the movement for reunification in the 90s is faced with a task to conduct a nation-wide movement to lay foundations for peaceful reunification by uniting all the independent forces of the nation at home and abroad.

The task of the organisation to carry out with the mobilisation of all the forces is to wage a struggle to get the "National Security Law" scrapped in South Korea and the pro-reunification patriots released, he stressed, and added:

We who got united at the Japan regional headquarters of Pomminnyon call for directing all wisdom, ability and energies to a vigorous struggle for national reunification in the 90s.

Korean Residents in Japan Visit Statue

*SK2712051094 Pyongyang KCNA in English 0455
GMT 27 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—The members of the 230th short-term home-visiting group of Koreans in Japan staying in the socialist motherland Monday [26 December] presented bouquets of flowers before the statue of the great leader President Kim Il-song on Mansu Hill and paid a silent tribute to his memory.

The head of the group, Yang Sok-ha, said the visitors of the homeland felt more intense longing for the great leader Generalissimo Kim Il-song, arriving in the socialist motherland which they had yearned after even in their dreams at the close of the year.

"We have another great leader, General Kim Chong-il," he said, adding: "We will uphold the leadership of General Kim Chong-il with loyalty, closely rallied behind him, keeping the behests of the fatherly leader in our hearts."

Overseas Koreans Discuss Kim Il-song's Work

*SK2612104694 Pyongyang KCNA in English 1010
GMT 26 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—A round-table talk of overseas Koreans on "With the Century", reminiscences of the great leader President Kim Il-song, was held here.

Present there were Yang Yong-tong, chairman of the headquarters of Koreans in China of the National Alliance for the Country's Reunification, and its branch members.

They expressed deep respect and reverence for President Kim Il-song, saying his reminiscences "With the Century" is an immortal monumental library vividly reflecting the heroic and epical life of the peerless great man.

Chairman Yang Yong-tong said: "The reminiscences, a grand encyclopedia of the greatest of great men, gives deep understanding of the history of our country, the history of the revolutionary activities of the great Generalissimo Kim Il-song."

"Such reminiscences can be written only by our leader who can justly reflect upon his life before the world. It is because there is no greater man than our leader, no more brilliant and glorious life than that of our leader in the world." He stressed, and added:

The reminiscences of the fatherly leader is, indeed, an immortal grand monumental masterpiece which is a review of the political history of the 20th century.

Yi Yong-chin of the Jilin city branch said that ours was the great leader of the people with warm comradeship and noble obligation.

Choe Ki-sop of the Yanji city branch said that our leader in his reminiscences wrote more about comrades and unforgettable persons who helped him than his noble feats. This shows well what humble personality our leader had, he pointed out.

Kim Nin-suk and Kim Song-cha of the Jiamusi branch said that they more deeply felt: While reading this book, that our leader was, indeed, a great man whom the earth greeted for the first time. Our leader was the greatest of the great men, master of the masters produced by heaven, they stressed.

Russia Dispatches Experts on Nuclear Sales

OW2712085794 Tokyo KYODO in English 0815 GMT 27 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 27 KYODO—Russia's ambassador to South Korea said Tuesday his country dispatched a group of experts to Pyongyang this month to discuss supplying North Korea with Russian-type light-water reactors.

Georgiy Kunadze, however, declined to elaborate, saying, "I haven't heard of concrete results of the group's North Korea visit."

Kunadze, in an interview with KYODO NEWS SERVICE, also said Russia is willing to resume its cooperation with North Korea in nuclear energy development that has been on hold since North Korea threatened to pull out of the nuclear Nonproliferation Treaty (NPT) in March last year.

"With the nuclear agreement it signed with the United States on Oct. 21 in Geneva, North Korea is expected to

comply with nuclear inspection obligations required by the International Atomic Energy Agency (IAEA)," he said.

"Thus, Russia is also ready to reopen its cooperative relations with North Korea in developing nuclear energy and the dispatch of the experts group was part of preparatory efforts for that," the ambassador said.

He said Russian President Boris Yeltsin suspended in April 1993 a cooperation agreement on nuclear power plants signed with North Korea in 1985 when Pyongyang announced it would withdraw from the NPT, which aims at preventing the spread of nuclear weapons and related technology.

The Russian ambassador expressed hope that a Russian model of light-water reactors will be supplied to North Korea, saying, "Russian nuclear technology excels South Korea's in its history and experiences in North Korea's nuclear energy development."

"Russia, since its days as the Soviet Union, has been very active in cooperating with North Korea in nuclear energy developments and accumulated experiences in various arenas," he said.

He said Russia can contribute to a planned Korea Energy Development Organization (KEDO) by making good use of experiences that Japan, South Korea and the U.S. do not possess.

KEDO is a multilateral consortium currently comprised of the U.S., Japan and South Korea that was set up to raise 4 billion dollars for construction of modern light-water reactors in North Korea.

Under the landmark nuclear accord between Washington and Pyongyang, the U.S. promised to arrange for financing of the reactors to replace the North's plutonium-producing graphite-cooled models in exchange for a freeze on suspected nuclear development activities.

A consensus has reportedly been reached among the U.S., Japan and South Korea for use of a South Korean model in the North.

"Russia stands ready to supply its light-water reactors if North Korea wants," Kunadze said, adding, "Russian technology is what North Korea can most easily adapt to and is most familiar with."

Asked about Russia's reported supply of Mi-26 transport helicopters to North Korea, he said he cannot confirm the report.

"Even if it is true that Russia provided the large-size helicopters to North Korea, I don't think it matters because it is a commercial deal," he said.

Russian Communists' Criticism of Wall Cited

OW2312135894 Pyongyang KCNA in English 1011 GMT 23 Dec 94

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—The delegates of the Communist Workers'

Party of Russia, the Workers Soviet of Russia, the Women's Congress of the Soviet Union, the "Working Russia" movement and its 33 affiliated organizations who had participated in the Fourth Congress of the Communist Workers' Party of Russia released a joint statement on December 17 supporting an appeal issued by the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea on the lapse of fifteen years since the former military dictators of South Korea completed the construction of the concrete wall.

The [words indistinct] says the South Korean authorities raised cheers when the Berlin Wall was pulled down in Europe, but they still refuse to remove the concrete wall, a physical barrier to reunification, and to scrap the "National Security Law" [NSL], an institutional barrier, even at the present juncture when the situation on the Korean peninsula has reached a phase of detente.

It says the policy of division and confrontation pursued by the South Korean authorities is an obstacle to the relaxation of tensions on the Korean peninsula and in its surrounding areas and is contradictory to the unanimous desire of all the people for the peaceful reunification of Korea and peace and security in this region, and urges the South Korean authorities to immediately scrap the "NSL" and pull down the concrete wall.

Deputies Call For Demolition

SK2612103794 *Pyongyang KCNA in English 1004*
GMT 26 Dec 94

[All names are as received]

[FBIS Transcribed Text] Moscow, December 23 [date as received] (KCNA)—Deputies to the State Duma of Russia made public a statement on December 22 in support of an appeal to the parliaments and politicians of different countries of the world sent by the Standing Committee of the Supreme People's Assembly of the Democratic Peoples Republic of Korea on the lapse of 15 years since the South Korean puppets built the concrete wall.

The statement was signed by Lapshin, chairman of the Agricultural Party of Russia, Zhirinovskiy, chairman of the Liberal Democratic Party of Russia, and Zhyuganov, chairman of the Central Executive Committee of the Communist Party of the Russian Federation, on behalf of fractions of deputies from their parties.

The statement was officially distributed to the deputies of the State Duma on December 22 under the ratification of Mityukov, first deputy speaker of the State Duma of Russia.

Noting that the South Korean "Government" completed the building of reinforced concrete wall, a symbol of national division and confrontation between the North and the South, in the area south of the Military Demarcation Line of the Korean peninsula on December 29, 15

years ago, the statement said that Korea remains divided for a long time, is fraught with the danger of confrontation and war and constitutes a factor of an unstable situation not only on the Korean peninsula but also in the whole of Asia.

The United States is not concealing that South Korea is an important object in its plan for building military bases abroad and is trying to turn it into a leading base in the northeast area of Asia, the statement said, adding: That is why we call upon all the politicians and parliaments of different countries to support the appeal of the Standing Committee of the Supreme People's Assembly of the DPRK and the just aspiration of the entire Korean people to reunify their country independently and peacefully.

We, who welcomed the demolition of the Berlin walls, a symbol of the Cold War in Europe, should lift up voices demanding that the reinforced concrete wall, a symbol of confrontation on the Korean peninsula, be pulled down, the sufferings and tragedy of the Korean nation be removed and the Korean people retake one country and one common destiny.

Russia Publishes Book on Kim Il-song, Kim Chong-il

OW2712133494 *Pyongyang KCNA in English 1007*
GMT 27 Dec 94

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—The book "People and Leader" was recently brought out by the Paleya Publishing House of Russia.

The book prints a picture of the Respected Leader President Kim Il-song and the Great Leader Comrade Kim Chong-il going round the Rungna Bridge in Pyongyang, a picture of President Kim Il-song among workers and a picture of Comrade Kim Chong-il giving on-the-spot guidance to a steel works.

Ivan Loboda, the author of the book, wrote that President Kim Il-song is the highest paragon of the great revolutionary and communist, who founded the chuche idea, led two revolutionary wars to victories under its banner and devoted his all to the struggle for the accomplishment of the cause of socialism and global independence, thus performing immortal feats.

He said President Kim Il-song resolutely frustrated the moves of the renegades of the revolution and reactionaries, successfully carried out the anti-imperialist, anti-feudal democratic revolution and the socialist revolution, built a socialist system centred on the popular masses in the land of Korea and created a model of socialism by pushing head with socialist construction.

The author said:

"Socialism has suffered setbacks and the ruling parties collapsed in different countries in recent years. In this grave situation, however socialism has been defended

and has made a long drive in Korea. This is because the Korean people are holding Comrade Kim Chong-il in high esteem."

He vividly wrote about Comrade Kim Chong-il's spirit of devoted service for the party and the revolution, his matchless grit, iron will and brilliant ideological and theoretical activities.

"The people look up to Comrade Kim Chong-il as an outstanding leader because he is possessed on the highest level of all the personality and quality which the leader of the people should have and has performed undying feats in the revolution and construction," the author stressed.

PRC Embassy Presents Educational Tools

*SK2712043794 Pyongyang KCNA in English 0419
GMT 27 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The Chinese Embassy here today presented educational apparatuses to the Mao Zedong Class of the Pyongyang Sinri Senior Middle School on his 101st birth anniversary.

Present there were Chon Yon-ok, vice-chairperson of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Central Committee of the Korea-China Friendship Association, and officials concerned.

Qiao Zonghuai, Chinese ambassador to Korea, and officials of the embassy were present.

O Chin-u Sends Message to Vietnamese Counterpart

*OW2312134794 Pyongyang KCNA in English 1026
GMT 23 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—Marshal of the Korean People's Army O Chin-u, minister of the People's Armed Forces, sent a message of greetings to Doan Khue, minister of national defence of Vietnam, on the 50th founding anniversary of the People's Army of Viet nam.

Noting that the People's Army of Vietnam has won brilliant victories over the past 50 years in the struggle to achieve national independence and liberation against imperialist aggression and build socialism, the message wished it greater achievements in the efforts to increase the defence capabilities of the country under the leadership of the Communist Party of Viet nam, true to the behests of President Ho Chi Minh.

The message expressed the belief that the fraternal friendship and solidarity between the two peoples and armies would grow stronger and develop day by day by their common efforts.

Cuban Ambassador Addresses Anniversary Fete

*OW2312140194 Pyongyang KCNA in English 1027
GMT 23 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—A press conference was held at the Cuban

Embassy here today on the occasion of the 36th anniversary of the victory of the revolution in Cuba.

Present there were newspaper, news agency and radio reporters in Pyongyang.

The press conference was addressed by Cuban Ambassador to Korea Jose Ramon Rodriguez Varona.

Chuche Institute Leader Pledges Loyalty

*SK2312043394 Pyongyang KCNA in English 0423
GMT 23 Dec 94*

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—The great leader of our party and people Comrade Kim Chong-il, supreme commander of the Korean People's Army, received a letter of thanks sent by Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, leaving Pyongyang on December 20.

In the letter he said the sudden death of the great President Kim Il-song was an excess of sorrow.

He is convinced that President Kim Il-song means Comrade Kim Chong-il and that thanks to him the former is immortal, he said.

Apart from Comrade Kim Chong-il, President Kim Il-song is unthinkable today and tomorrow, he said, and continued:

"I am firmly resolved to remain unfailingly loyal to you, Comrade Kim Chong-il, thinking of you alone in the future.

"The 21st century is the Kim Chong-il era, which is efflorescing under your guidance.

"I assure you, Comrade Kim Chong-il, that I will make a great progress in the struggle for independence throughout the world, including Japan, with the firm faith that we are sure to win victory led by you, Comrade Kim Chong-il."

He warmly congratulated Comrade Kim Chong-il on the lapse of three years since his election as supreme commander of the Korean People's Army, and wished him good health and a long life.

WPK Delegation Returns From Europe 22 Dec

*SK2612080094 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 22 Dec 94*

[FBIS Translated Text] A delegation of the Workers Party of Korea [WPK] led by Im Sung-pil, vice director of a department of the WPK Central Committee, returned home today by train after participating in a convention of the Socialist Party of France and in the Fourth Federal Council of the United Left of Spain, as well as visiting Western European countries.

The delegation was received at the Pyongyang Station by Pak Pyong-son, vice director of a department of the WPK Central Committee.

German Communist Leaders Receive Delegation

SK2612074594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 22 Dec 94

[FBIS Translated Text] On 16 December, Rolf Priemer and Heinz Stehr, co-chairmen of the German Communist Party, received a delegation of the Workers Party of Korea [WPK] led by Im Sung-pil, vice director of a department of the party.

At the meeting, the delegation head conveyed greetings from the dear leader Comrade Kim Chong-il to Co-chairmen Rolf Priemer and Heinz Stehr. The co-chairmen expressed their deep gratitude for this and asked the delegation head to convey their warm greetings to the dear leader Comrade Kim Chong-il.

Co-chairman Heinz Stehr stated that the German Communist Party was encouraged by the great victory the DPRK Government had achieved in the struggle to resolve the nuclear issue on the Korean peninsula under Comrade Kim Chong-il's wise leadership.

German Communists Mark Death of Kim Il-song

OW2312133594 Pyongyang KCNA in English 1020 GMT 23 Dec 94

["Participants in 18th Congress of CPG Mourn for President Kim Il-song"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—The participants in the 18th Congress of the Communist Party of Germany [CPG] mourned for the Great Leader President Kim Il-song.

When Hans Wauer, vice-chairman of the Communist Party of Germany, proposed, before the opening of the congress, to observe a moment's silence in memory of Comrade Kim Il-song, the great leader of the Korean people and the outstanding leader of the international communist movement and working class movement, the entire participants paid a silent tribute to his memory.

Werner Schulwese, chairman of the Communist Party of Germany, in his report to the congress said that the CPG calls upon the communist and workers' parties of all countries to form a joint front and strengthen unity and cooperation with the conviction of the victory of socialism on the basis of the Pyongyang Declaration. He called for directing efforts to cementing friendly and cooperative relations with the Workers' Party of Korea which is defending the banner of socialism.

Chang Chol Meets Syrian Government Delegation

SK2412112894 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 21 Dec 94

[FBIS Translated Text] Chang Chol, vice premier and minister of culture and art, received a Syrian Government cultural delegation led by Yasir Farah, the ambassador of the Syrian Arab Republic to our country, at the

Mansudae Assembly Hall on 21 December. They had a conversation in a friendly atmosphere.

Chon Yon-ok, vice chairman of the Committee for Cultural Relations With Foreign Countries, attended the meeting.

Colombia Presents Award to Kim Chong-il

SK2312043594 Pyongyang KCNA in English 0426 GMT 23 Dec 94

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—The House of Representatives of Colombia decided to award the great leader of our party and people Comrade Kim Chong-il "Order of Democracy", the supreme order of Colombia.

The lower house of Colombia on December 15 decided to award His Excellency Kim Chong-il, the supreme leader of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, "Order of Democracy", the supreme order of Colombia, in recognition of the feats he performed in politics, science and culture and art for the consolidation and development of the foundations of Korea and his contribution to preserving peace on the Korean peninsula, promoting the independent reunification and, in particular, achieving the DPRK-U.S. agreement concerning the denuclearisation on the Korean peninsula.

Foreign Leaders Send Solidarity Messages

SK2512083094 Pyongyang KCNA in English 0800 GMT 25 Dec 94

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA)—The dear leader Comrade Kim Chong-il received messages of solidarity from Obiang Nguema Mbasogo, president and head of state of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea, and Pascal Lissouba, president of the Republic of the Congo, in connection with the adoption of the DPRK-U.S. agreed framework.

They in the messages expressed the belief that both sides of the agreement would open a new prospect in the relations of friendship and cooperation between Korea and the United States and contribute to maintaining world peace and security by sincerely implementing the framework agreement.

Solidarity messages to Comrade Kim Chong-il were also sent by Chairman of the Freedom Party of Jordan Ahmad Al Zoubi, Chairman of the Nicaraguan Socialist Party Gustavo Tablada Celaya and General Secretary of the Congolese Communist Party Kamba Raymond [names as received].

A solidarity message came to him from the Political Bureau of the party of the Congress for the New Independence of Madagascar.

Messages extended warmest congratulations and thanks to Comrade Kim Chong-il upon leading the Korean people to a brilliant victory in confrontation with the United States.

Kim Chong-il's Building of Army Praised

SK2312014494 Pyongyang KCNA in English 2206 GMT 22 Dec 94

[FBIS Transcribed Text] Pyongyang, December 22 (KCNA)—The broad world public highly praises the exploits of Comrade Kim Chong-il, supreme commander of the Korean People's Army, in the cause of building the revolutionary Armed Forces of chuche.

The Burundian paper *LE RENOUVEAU* said that the dear leader Comrade Kim Chong-il established military science centred on men, putting the chuche-based military idea, theory and tactics in an integral system and this is worthy of especial praise among his exploits.

D. P. Maheshwari, chairman of the Indian Federation for World Cooperation and Cultural Relations, noted at a round table talk that Comrade Kim Chong-il has performed immortal feats by strengthening and developing the Korean Armed Forces into modern revolutionary Armed Forces with up-to-date means of attack and defence and turning the whole country into an impregnable fortress.

The Thai paper *SIN CHONG WAN PAO* pointed out that he has carried out the training of the whole Army into an army of cadres, the modernization of the whole army, the arming of the entire people and the fortification of the whole country by thoroughly implementing the chuche-based military idea and line of President Kim Il-song.

He trained the people with the idea of unity of the Army and the people and its traditional traits which were displayed in the flames of the anti-Japanese revolutionary struggle and it has become a social trend in Korea today that the Army loves and helps the people and the people aid the Army as their flesh and blood, said the Madagascan paper *BASY VAVA*.

R. P. Mbuma, commander of the Tanzanian People's Defence Forces, said after seeing the film "The 60th Anniversary of the Founding of the Heroic Korean People's Army" that the modern revolutionary Armed Forces led by a great brilliant commander is a pride not only of the Korean people but also of the world revolutionary people.

T. B. Mukherjee, director of the Asian Regional Institute of the Chuche Idea, stressed in a lecture:

"The marvelous fact that Korean socialism is vigorously advancing without turns and twists even in today's worldwide upheaval is unthinkable apart from the wise leadership of His Excellency Kim Chong-il, supreme commander of the Revolutionary Armed Force".

KCNA Cites Praise of Kim Chong-il Leadership

SK2412042194 Pyongyang KCNA in English 0409 GMT 24 Dec 94

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—Foreigners spoke highly of the outstanding military idea and leadership ability of the dear leader Comrade Kim Chong-il on the lapse of three years since his election as supreme commander of the Korean People's Army.

Charles Dauramanzi, department director of the Zimbabwean Ministry of Defence, said the Korean People's Army grown to be invincible revolutionary Armed Forces under the sagacious guidance of the great leader Generalissimo Kim Il-song has embarked upon a new road in its development under the tested leadership of Marshal Kim Chong-il, the heir to the cause of chuche and military genius and supreme commander of the Korean People's Army.

The supreme commander of the Korean People's Army with the chuche-based military idea of certain victory, military technique and commanding art put forward unique ideas and theories of the building of the revolutionary Armed Forces and strategy and tactics and thus strengthened and developed the Korean People's Army into the Army of revolution, of the party and of the people that devotedly fights for the party and the leader, the country and the people, he said.

Narayan Man Bijukchhe, chairman of the Nepal Worker-Peasant Party, said he gains self-confidence from the bright future of Korea as well as the brilliant hope of the oppressed people each time he thinks of the leadership of dear Comrade Kim Chong-il. The Korean People's Army led by the peerless general has grown to be an ever-victorious matchless Army, he stressed.

T. B. Mukherjee, president of the Asian Regional Institute of the Chuche Idea, said the Korean people, blessed with brilliant generals and leaders, will emerge victorious in the future, too, as yesterday and today. He was fascinated by the distinguished military quality of General Kim Chong-il and his leadership ability, he said.

"I feel the leadership ability of General Kim Chong-il in the boldness and might of Korea defying whatever threats and attempts to stifle it," he said.

He added that the People's Army soldiers are undertaking both the defence of the country and socialist construction, singing the song of faith "Led by You, We Are Ever-Victorious" and that no force on earth can match the strength of the Korean people and People's Army rallied close around His Excellency Kim Chong-il, the great general and supreme commander.

Kim Chong-il's KPA Election Commemorated Abroad

SK2612043794 Pyongyang KCNA in English 0426 GMT 26 Dec 94

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA)—The third anniversary of the election of the

great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army [KPA] (December 24, 1991) was commemorated in different countries.

Celebration meetings took place in Zimbabwe, Mozambique, Uganda and Moscow. The speakers said at the meetings that Comrade Kim Chong-il is a military strategist with extraordinary military intelligence, outstanding commanding art, matchless grit and iron will who is successfully carrying forward the cause of President Kim Il-song.

They expressed the belief that under his tested leadership the Korean People's Army will frustrate the moves of any foreign aggressors and creditably defend the sovereignty and dignity of the Democratic People's Republic of Korea.

The Indian paper NEW DELHI TIMES and the Ugandan paper THE NEW VISION carried special writeups and the Mozambican committee for friendship with the DPRK published a congratulatory statement and a bulletin on this occasion.

Foreign Papers Praise Kim Chong-il

SK2712050394 Pyongyang KCNA in English 0447 GMT 27 Dec 94

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—Foreign newspapers published articles on the greatness of Comrade Kim Chong-il, the great leader of our party and people.

The Indian paper SAMACHAR POST in an article titled "Comrade Kim Chong-il Is Comrade Kim Il-song Today" said:

Comrade Kim Chong-il is the successor to the cause of Comrade Kim Il-song.

Comrade Kim Chong-il has long since led the revolution and construction as the supreme leader of the party, the state and the army of Korea.

The foundation stone of the singlehearted unity of Korea is the benevolent politics of Comrade Kim Chong-il.

He is wisely leading the revolution and construction in Korea to brilliant victory and making distinguished contributions to the accomplishment of the cause of socialism as a whole and the people's cause of independence with outstanding ideological and theoretical activities and revolutionary practice.

In view of his mission to the times and his great personality, Comrade Kim Chong-il is Comrade Kim Il-song today.

History has already acclaimed Comrade Kim Chong-il as the leader of all people who represents the 21st century.

The Burundian paper LE RENOUVEAU in an article titled "Kim Chong-il, Supreme Commander of the Korean People's Army" said:

In the course of assisting President Kim Il-song in his work by his side, supreme commander Kim Chong-il fully inherited his personality as an ever-victorious general. While in charge of all affairs of the party, the state and the army, he has performed immortal exploits in the building of the people's armed forces as a brilliant military commander.

What deserves particular praise among his exploits is that he has established a man-centred military science which is an integral system on the military idea theory and method of *chuche*.

Today Supreme Commander Kim Chong-il is known as a master of military affairs who has the commanding personality and art as a great military strategist.

The Indian paper UNITY INTERNATIONAL, the Nepali paper NEPAL NEWS, the Cambodian paper CAMBODIA and the Brazilian paper HORA DO POVO [spelling of newspaper as received] also carried articles on his greatness under the titles "Comrade Kim Chong-il, Only Hope of Korean People," "Comrade Kim Chong-il's Idea and Theory, Socialism of Korea," etc.

Leaders at Soiree on KPA Commander Anniversary

SK2412074194 Pyongyang Korean Central Broadcasting Network in Korean 1119 GMT 23 Dec 94

[Leadership appearance at a soiree of the DPRK Ministry of People's Armed Forces marking the third anniversary of the election of the dear leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army held at War Victory Square on 23 December—recorded]

[FBIS Translated Excerpt] [passage omitted] Present on the platform were Comrade Choe Kwang, vice chairman of the DPRK National Defense Committee and chief of the General Staff of the KPA; Kim Pong-yul and Kim Kwang-chin, vice marshals of the KPA; and responsible functionaries of the Ministry of People's Armed Forces.

Yi Yong-son, chairman of the KPA Committee of the League of Socialist Working Youth of Korea, spoke. [passage omitted]

Ceremony Marks Anniversary

SK2412010894 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Dec 94

[Leadership appearance at a report meeting to mark the third anniversary of the election of Kim Chong-il as Korean People's Army, KPA, supreme commander held at the 8 February Hall of Culture in Pyongyang on 23 December]

[FBIS Translated Excerpt] [passage omitted] Entering the rostrum are Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the

Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice presidents; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, and deputy premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee, vice chairman of the DPRK National Defense Commission, and vice marshal and chief of the General Staff of the Korean People's Army [KPA]; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Chon Pyong-ho, member of the Political Bureau of the WPK Central Committee, member of the DPRK National Defense Commission, and secretary of the party Central Committee; Comrade Hang Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee and member of the DPRK National Defense Commission; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Kim Kwang-chin and Kim Pong-yul, members of the DPRK National Defense Commission and KPA vice marshals; Comrade Kim Ik-hyon, KPA vice marshal; Comrades Kim Kinam, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Pok-sin, Kim Yun-hyok, and Chang Chol, vice premiers of the Administration Council; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administration and Economic Committee; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee; responsible functionaries of the party, government organs, and working people's organizations; anti-Japanese fighters, commanding generals of KPA branches of arms and services, general-grade officers of the People's Army, republic heroes, and exemplary fighters. [passage omitted]

Papers on Election of Kim Chong-il as Commander

SK2412105294 Pyongyang KCNA in English 1044 GMT 24 Dec 94

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—Today is the third anniversary of the election of the dear leader Comrade Kim Chong-il as supreme commander of our revolutionary armed forces.

Papers here dedicate editorials to this anniversary.

NODONG SINMUN says:

The great leader Comrade Kim Chong-il was elected supreme commander of the Korean People's Army [KPA] by the unanimous will and desire of all the People's Army officers and men and people at the 19th plenary meeting of the Sixth Central Committee of the Workers' Party of Korea held three years ago. This was a historical event which opened a very bright prospect before our revolutionary armed forces in their strengthening and development and before our-style socialism.

In the editorial headlined "KPA Led by Respected Comrade Supreme Commander Is Ever-Victorious Revolutionary Armed Forces" the paper says:

With the dear leader, an outstanding military strategist and an ever-victorious iron-willed brilliant commander, acclaimed at the top of the revolutionary armed forces, the *chuche* cause of army building which was started and triumphantly advanced by the great leader President Kim Il-song has become able to keep its blood forever and have a definite military guarantee for successfully accomplishing our cause of socialism in the acute confrontation with and struggle against the imperialists and all other reactionaries.

From the days of their founding, our revolutionary armed forces covered a road of proud victory and glory with respected Comrade Kim Il-song at their head, and are demonstrating to the whole world their might as a matchless formidable army under the guidance of the dear leader Comrade Kim Chong-il.

Comrade Kim Chong-il is a distinguished genius of army building in our age who acquired the personality of an outstanding military strategist and an iron-willed brilliant commander on the highest level in his early years.

He has successfully resolved all the problems in the building of revolutionary armed forces with distinguished intelligence and outstanding commanding art for decades and performed undying feats which will shine in the century.

It is unthinkable apart from his extraordinary greatness that the KPA has been strengthened and developed to be each-a-match-for-a-hundred revolutionary armed forces fully prepared politically and ideologically and in military technique and our people have attained a definite military guarantee for accomplishing the socialist cause of *chuche* in any storm and stress.

All the great victories, achievements and new changes in our army building are a precious fruition of his tested leadership.

With Comrade Kim Chong-il acclaimed as their supreme commander, our revolutionary armed forces have demonstrated their might as loyal combat units which devotedly fight for the party and the revolution.

The proud looks of the KPA are seen in that it keeps a close watch on every movement of the enemy, defending the sky, ground and seas of the country like an impregnable fortress with powerful means of attack and defence capable of knocking down any imperialist aggressor army at one blow if it provoke us.

MINJU CHOSON says in an editorial that our country and people are strong and the prospect of the socialist cause is all the brighter because they have the great General Kim Chong-il, supreme commander, at the top of the revolutionary armed forces and enjoy his outstanding and tested leadership.

Kim Chong-il Praised as KPA Commander

SK2412110194 *Pyongyang KCNA in English 1052*
GMT 24 Dec 94

["We Have Great Brilliant Commander"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA)—NODONG SINMUN today carries a political essay titled "We Have a Great Brilliant Commander."

Guided by Comrade Kim Chong-il, a great brilliant commander with both literary and military accomplishments, our army and people are invincible, socialist Korea is impregnable and the cause of independence of humankind is indestructible, the political essay says, and continues:

There is general Kim Chong-il in Korea. The dignity of modern Korea is his dignity.

"Nobody dare provoke us. Our country is impregnable. We have general Kim Chong-il."—This is the unanimous faith of all the people in this land.

The leader of the revolution who guides the country and the people should not only be a great statesman but be an iron-willed brilliant commander.

With the great general Kim Il-song at the head of the revolution from the days when the Korean revolution was pioneered, our people could defeat two strong imperialisms in one generation and build a powerful socialist country, independent, self-sustaining and self-reliant in national defence, which nobody dare provoke.

Today our people are displaying to the whole world the honor of a powerful and dignified nation because they are guided by the great General Kim Chong-il.

Now we see the cause of the great General Kim Il-song and his indomitable spirit in sagacious General Kim Chong-il.

The great General Kim Chong-il is the general of Mt. Paektu who was born to always emerge victorious.

Calling General Kim Chong-il the son of Mt. Paektu, the general of Mt. Paektu, the great leader President Kim Il-song said he is full of the soul and spirit of Mt. Paektu.

General Kim Chong-il is the incarnation of faith. He is a general who always wins with the faith of Mt. Paektu.

Our General Kim Chong-il always guides our party, our people and our army with the indomitable faith reflected in the revolutionary songs, the songs of Mt. Paektu sung by the fighters in the days of the anti-Japanese revolutionary struggle.

He is not only the incarnation of faith but the incarnation of strategy and grit. He is a general who always wins with the strategy and grit of Mt. Paektu.

He is the incarnation of love and benevolence. He is a general who always wins with love and benevolence.

The singlehearted unity of our army and people in perfect harmony and the might of Korea have their source in the noble love and benevolence of supreme commander General Kim Chong-il.

We will accomplish the revolutionary cause of *chuche*, the cause of the great leader President Kim Il-song, remaining loyal to the great General Kim Chong-il with a single heart, even though the world may change a hundred times and a formidable volcano may lie ahead of us.

'Unfailing Loyalty' to Kim Chong-il Hailed

OW2312120094 *Pyongyang KCNA in English 1003*
GMT 23 Dec 94

["Blood Ties Between Army and People Tightened in Upholding Comrade Supreme Commander"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—As the Army and people are united in one mind around respected supreme commander Comrade Kim Chong-il, the People's Army is strong, the Workers' Party of Korea is powerful and Korean-style socialism is making a long drive flushed with victories, declares NODONG SINMUN today in an article entitled "Blood Ties Between Army and People Tightened in Upholding Comrade Supreme Commander."

The author of the article says:

The unshakable faith and will to fight it out under the guidance of the great leader is the main factor of the consolidation of the kindred relations between the Army and the people in Korea.

The solid blood ties between the Army and the people are based on their unfailing loyalty to the Dear Leader Comrade Kim Chong-il and noble revolutionary comradeship.

For our people to sincerely aid the People's Army means to be loyal to the idea and intention of the great leader. For the People's Army [words indistinct] love and help the people means its worthwhile work for realising the noble intention of comrade supreme commander.

The People's Army soldiers dedicate their youth and life to defend the lives and property of the people, and the latter spare nothing for the People's Army.

The blood ties between the Army and the people are solid also because they are being cemented in the course of helping and leading each other along.

The people sincerely help the officers and men of the People's Army in discharging their military assignments, while the People's Army help the people in socialist construction. This is an important source of the kindred relations between the Army and the people.

These relations forged in upholding Dear Comrade Kim Chong-il [words indistinct] commander of our revolutionary armed forces are noble indeed. And no force on earth can break this great unity.

Kim Chong-il's Military Wisdom Praised

*SK2612071294 Pyongyang Korean Central
Broadcasting Network in Korean 0750 GMT 24 Dec 94*

[Unattributed talk: "Ever-Victorious Are Our People and the People's Army, Which Have the Respected and Beloved General Kim Chong-il at the Head of the Revolutionary Armed Forces"]

[FBIS Translated Text] The people throughout the country and officers and men of the People's Army are now overflowing with a boundless trust and a feeling of admiration for the respected and beloved supreme commander on the occasion of the significant day of marking the third anniversary of upholding General Kim Chong-il, the great leader [yongdoja] of our party and people, as the supreme head [choegosuwi] of our revolutionary Armed Forces.

Upholding the respected and beloved General Kim Chong-il—who is brilliantly inheriting and consummating the Army building cause pioneered by the great leader [suryong] with his extraordinary military wisdom, outstanding art of commanding the Army, and sacred virtue—as the supreme commander of the Korean People's Army is the glory and happiness of our people and officers and men of the People's Army.

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-il has an indomitable will and courage, as well as outstanding tactics and strategy befitting the supreme commander of the revolutionary Armed Forces. Herein lies the guarantee for constantly strengthening and developing our revolutionary Armed Forces for ever-victoriousness.

General Kim Chong-il, the respected and beloved supreme commander, is the most prominent and brilliant commander of our times who is leading our People's Army to the single road of victory and glory. Comrade Kim Chong-il, our supreme commander, is,

first of all, the great military genius of our times who has an extraordinary wisdom as a military ideologist and theorist.

The most important ethos of the supreme commander, a military brilliant commander, is extraordinary military, ideological, and theoretical wisdom. The respected and beloved General Kim Chong-il, who has the extraordinary military, ideological, and theoretical wisdom, has cherished a firm faith that the chuche-oriented military ideology and theory presented by the great leader [suryong] is the only military ideology and theory that makes it possible to complete the chuche-oriented army building cause in compliance with the aspiration and demands of the times and the popular masses. Thus, he has vigorously made ideological and theoretical activities to fully systemize, develop, and consummate it.

Through his energetic activities of ideology and theory, the supreme comrade commander has gained historic achievement by systemizing the respected and beloved leader's [suryong] military theory into a perfect military science with the chuche military ideology and theory and with the composition system [kusong chegye] of arts of war. He has published a great many immortal and classical works, including his work entitled "The Army Units of the People's Army Should Defend Their Leader [suryong], Party, System, and Fatherland at Risk of Their Lives," and has constantly consolidated and developed the chuche-oriented military science—which was formulized by the leader's [suryong] esteemed name—into new assets.

Thanks to the general—who has laid an ideological and theoretical cornerstone for the chuche-oriented revolutionary Armed Forces with his creative research, speculation, and energetic activities of ideology and theory—our People's Army units were able to be consolidated and developed into a one-a-match-for-one-hundred revolutionary Armed Forces to safeguard and defend the chuche revolutionary cause more firmly.

The respected and beloved supreme commander General Kim Chong-il is also the great military and brilliant commander who has an outstanding art of commanding the Army. The outstanding art of commanding the Army is the unique ethos of the supreme commander of the revolutionary Armed Forces, an iron-willed brilliant commander.

With his outstanding art of commanding the Army, general—who has an excellent military wisdom, as well as a sagacity of a brilliant commander—is wisely leading our revolutionary Armed Forces.

The most important factor in the brilliant commander's art of commanding the Army is to present and implement a correct struggling slogan and policy to achieve the basic goal of Army building. General Kim Chong-il has presented a great many struggling slogans and policies we should adhere to in Army building and in military activity, including the slogan: "At the vanguard of the

People's Army, let us fight for the great leader [suryong] at the risk of our lives in conformity with the demands of the historic times in which the chuche Army building cause is handed down generation after generation" and "Training, study, and life like the anti-Japanese guerrilla method."

The concrete struggling tasks and methods that make it possible to consummate the chuche Army building cause pioneered by the great leader [suryong]—who strongly fostered all soldiers to become the chuche-oriented revolutionary Army, the one-a-match-for-one-hundred fighting group, which is loyal and dutiful to the party and the leader [suryong]—are summed up in these slogans and policies.

Leading the Army building cause by organizing and mobilizing the soldier masses, relying on their might, is the basic characteristic of the art of commanding the Army of General Kim Chong-il. The soldier masses are masters of Army building. Also, the decisive might to carry out the Army building cause originates from the soldier masses. He—who solves all problems by initiating the soldier masses, relying on them—has paid special attention to the work to enhance the position and role of the soldier masses.

General Kim Chong-il has established a well-organized system of ideology and indoctrination, as well as the system of organizational life within the Army; led it to constantly strengthen the organizational and ideological life; and wisely led them to vigorously conduct various mass movements, including the Three- Revolution Red Flag Movement. Thus, all soldiers are thoroughly implementing the Army building policies presented by the party.

Also, the respected and beloved Comrade Kim Chong-il is our soldiers' benevolent father, who gives great trust and warming love to the soldiers of the People's Army. He regards our soldiers as the most valuable asset and, also, always and warmly takes care of every inch of their life with a real paternal affection.

The officers and men of our People's Army are receiving a boundless might and courage from General Kim Chong-il's benevolent love and trust. Also, they are struggling to implementing the party's Army building policy under any circumstance, devoting their youth and lives for its realization.

Another important factor in our supreme commander General Kim Chong-il's art of commanding the Army is that he is leading the Army building work with his extraordinary organizational skill and revolutionary sweep [chongaeryok], setting out operations in a big way and pushing them ahead audaciously. Whenever he draws out a military work or maps out a plan for operation, he sets a high goal from the beginning that ordinary people cannot image. With his extraordinary organizational skill and sweep, he is carrying them out audaciously.

Truly, Comrade Kim Chong-il, the respected and beloved supreme commander, has wisely led the Army building work with his outstanding art of commanding the Army. As a result, a great revolutionary upturn has been effected in all areas of the military and military activity of our People's Army. Also, the People's Army is constantly becoming indomitable one-a-match-for-one-hundred ranks.

General Kim Chong-il, supreme commander of our revolutionary Armed Forces, is also an iron-strong, great commander who has outstanding military wisdom and peerless braveness. A great commander's traits are importantly symbolized by his military wisdom and courage, as well as his military, ideological, and theoretical wisdom and his tactics of leading the Army.

General Kim Chong-il's military wisdom and courage are his outstanding military traits, which were raised in the garden of the old home in Mt. Paektu, where anti-Japanese gun reports were ringing; in the supreme commander's operations room, where the boom of guns was heard during the fatherland liberation war; and in the flames of war; and whose majesty was demonstrated all over the world, being used in the days when he was leading the cause of chuche army building.

With his extraordinary military wisdom, the respected and beloved General Kim Chong-il can clearly envisage the nature of problems, even under any complicated situation, and use appropriate tactics, always driving the enemy to take the defensive in a corner. He has also created many wise military tactics in accordance with the demand of modern war, constantly developing and enriching the chuche war tactics.

General Kim Chong-il, an iron-strong great commander, has an iron heart and peerless courage, with which he can make any strong enemy with tens of millions of troops coming in flocks yield by merely giving a command, looking down at the rascals. Whenever the enemies conduct adventurous military provocations, he considers their power as the flimsy vim of a newly born pup that is too little to be afraid of a tiger, and always crushes the enemies by tying them in a row.

The respected and beloved general also presented a policy on highly displaying the traditional virtue of unity between the Army and the people and has energetically led us to completely implement it, thus enabling our people and the People's Army to achieve a blood relationship, the perfect unity that nothing can disband.

The source of our People's Army's invincible might lies in the perfect, single-hearted unity between the Army and the people around the great leader [yongdoja]. Respected and beloved General Kim Chong-il, who has been highly elected supreme commander of the Korean People's Army at the unanimous intent and desire of our party and people, is indeed a great leader [yongdoja] and unparalleled general with extraordinary military sense

and wisdom, ever-victorious tactics of leading the Army, peerless courage, and abundant virtue.

Today, the People's Army has been strengthened and developed as one-a-match-for-one-hundred revolutionary Armed Forces firmly prepared politically, ideologically, militarily, and technologically and is excellently fulfilling its honorable mission as the protector of the party, the revolution, the fatherland, and the people. This is totally the result of the correct leadership of respected and beloved Supreme Commander General Kim Chong-il.

Therefore, our people and the People's Army are filled with the great dignity and pride in upholding General Kim Chong-il at the top of our revolutionary Armed Forces and are making a burning determination to defend and protect the general by casting their lives.

Invincible forever are our people and the People's Army that uphold General Kim Chong-il, the great leader [yongdoja] of our party and people—who is an outstanding military strategist, an iron-strong great commander, and an unparalleled general—at the top of the revolutionary Armed Forces.

Kim Chong-il Sends Thanks to Couple

SK2212042794 Pyongyang KCNA in English 0358 GMT 22 Dec 94

[FBIS Transcribed Text] Pyongyang, December 22 (KCNA)—The great leader of our party and people Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], highly estimated the commendable communist deed of political officer of the KPA Han Myong-ho and his wife and sent thanks to the command and political department of the unit to which he belongs.

Han Myong-ho and his wife brought to their home a soldier discharged from military service at the unit on account of illness and gave highly effective medicine and tonics to the patient for several months so that she is in complete recovery.

Speakers at a meeting for conveying thanks said that the high estimation and thanks of comrade supreme commander carry the fatherly love of expressing his satisfaction at the small beautiful undertaking of revolutionary soldiers and making them known to the people throughout the country.

Kim Chong-il Sends Gift to Hero of Republic

SK2212102494 Pyongyang KCNA in English 1007 GMT 22 Dec 94

[FBIS Transcribed Text] Pyongyang, December 22 (KCNA)—The great leader of our party and people Comrade Kim Chong-il, supreme commander of the Korean People's Army, sent a gift to Hero of the Republic Hwang Yong-chun, an officer of the Korean People's Army, and his wife Choe Kum-sun.

Hwang Yong-chun, 37, and Choe Kum-sun, 34, who have devoted their youthful days to the noble cause for the country and people, are to be married on the lapse of three years since the dear leader Comrade Kim Chong-il was acclaimed as supreme commander of the Korean People's Army (December 24, 1991).

Many people advised Hwang who became a Hero of the Republic last year to be married. But he went to a socialist construction site, saying that he would be married after repaying, only if a little, the kindness of comrade supreme commander who made him, a nameless soldier, Hero of the Republic and awarded the military title of captain to him. There he contributed to finishing the project assigned to his unit within the set time.

Choe Kum-sun, a senior middle school teacher, waited for the officer for ten odd years with her constant pure love, dedicating her wisdom and energy to the education of the younger generation for 13 years.

Respected supreme commander Comrade Kim Chong-il, upon receiving the report that Hwang and Choe were intending to have a wedding ceremony, was greatly pleased and instructed the General Political Department of the Korean People's Army, Hwang's unit and the provincial party committee to pay attention to the wedding and make it a happy ceremony and sent a gift to them with his greetings.

The speakers at the gift-conveying meeting held on the spot on December 20 expressed their resolution to uphold the leadership of the comrade supreme commander with loyalty and firmly defend and glorify our-style socialism centred on the popular masses by spending worthy youthful life and doing a lot of work.

Editorial Praises Chuche-Based Constitution

SK2712051494 Pyongyang KCNA in English 0500 GMT 27 Dec 94

["22nd Anniversary of Publication of Chuche-Based Socialist Constitution"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA)—Papers here today observe the 22nd anniversary of the publication of "Socialist Constitution of the Democratic People's Republic of Korea" by the great leader President Kim Il-song (December 27, 1972).

NODONG SINMUN in an editorial titled "Let Us Increase the Might of Our Republic by Strictly Applying Socialist Constitution" states that the enforcement of the most superior socialist constitution by Comrade Kim Il-song for our people is his immortal feat for the times and revolution.

The editorial says:

The respected leader Comrade Kim Il-song provided the socialist constitution, a socialist political charter of chuche, on the basis of the fundamental principle of the

chuche idea and the practical experience of our-style socialism and wisely guided the work of steadily consolidating and developing our-style socialism centred on the popular masses by successfully applying it to all fields of social life.

The editorial calls for glorifying our-style socialism by strictly observing the chuche-based socialist constitution under the leadership of the great leader Comrade Kim Chong-il.

It continues:

For the entire people to wage a staunch struggle closely united around Comrade Kim Chong-il, is the noblest struggle to exalt the dignity and might of our republic.

The dignity and honor of our republic is, immediately, the high dignity and authority of Comrade Kim Chong-il.

Today the might of our republic is being multiplied to be more invincible in the grim vortex of history. This is because the determination of our people to uphold Comrade Kim Chong-il is becoming more unshakable.

We must firmly trust and follow Comrade Kim Chong-il as the sun of life and defend him with our lives, deeply cherishing in our minds the truth that we can lead the noblest and worthy life when we struggle, becoming a harmonious whole with him.

Export Producers Mark Production 'Upsurge'

OW2312141394 Pyongyang KCNA in English 1023 GMT 23 Dec 94

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA)—Exports producers in Pyongyang have risen up as one in carrying through the revolutionary economic strategy of the Workers' Party of Korea and brought about a great upsurge in production.

According to data available, the export value of the municipality in the first 11 months of this year grew 70 percent over the same period of last year.

In this period the Pyongyang clothing factory and the Pyongyang Changgwang garment factory boosted their export value five times and the Pyongyang distillery has modernized its production processes and introduced new techniques, increasing its output 6 times over the previous months.

Some 200 exports production bases have been built or expanded for the increase of production.

The Rungrado General Bureau has built a modern factory with a plottage of about 6,000 square metres to treble the production capacity of Sindok spring water popular on foreign markets.

Power Plants Increase Power Generation

SK2712104394 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Dec 94

[FBIS Translated Text] Highly upholding the great leader's [suryong] will, functionaries, party members,

and working class of the power supply sector in Chagang Province have vigorously risen to the implementation of the party's revolutionary economic strategy and are adding more fuel to the flame of the struggle to increase power generation in order to send more electricity to various sectors of the people's economy.

Correspondent Choe Ung of the Central Broadcasting Station met with Comrade Yi Yong-tae, deputy director of the production guide bureau of the District Planning Committee of Chagang Province, and reports:

Producers of electric power in Kanggye youth power plant, Changjagang power plant, Muin power plant, and small- to medium-sized power plant management offices of the provincial power distribution general complex are vigorously waging the struggle to brilliantly implement this year's power generation plan in the final stage.

Party members and workers of Kanggye youth power plant are managing the power generators and facilities well. By planning and carrying out the work to increase power generation per tonne, they are overfulfilling daily targets by 20 percent. Particularly, power producers of the No. 7 power generation work unit of the double three revolutions red flag are continuously ensuring that the power generators are in full operation at full capacity, bearing the loyal oath to please and satisfy the dear comrade leader by implementing the great leader's [suryong] teaching of his lifetime given on 6 July.

Workers and technicians of Changjagang Power Plant are doing well in the repair and maintenance of generators and transformers. They are accomplishing daily power generation plans by 105 percent through efficient use of every drop of water in power generation.

South Korea

Further on U.S. Helicopter Incident in North

Government 'Regret' at Hubbard Trip

SK2712020094 Seoul KBS-1 Radio Network in Korean 0100 GMT 27 Dec 94

[FBIS Translated Text] It has been learned that the ROK Government has expressed regret to the United States regarding the fact that moves are being made through political negotiations between the United States and North Korea to arrange the return of a U.S. helicopter pilot, rather than through negotiations in the Military Armistice Commission.

According to a concerned government official, the government informed the United States that although the visit to North Korea on 28 December by Hubbard, deputy assistant secretary in the U.S. Department of State, can be fully understood as a humanitarian measure for the return of the U.S. pilot, there is a possibility his visit will be utilized for North Korean political purposes in a bid to demonstrate the success of solving

the problem of returning the U.S. helicopter pilot through direct negotiations with the United States.

This official stated: Deputy Assistant Secretary of State Hubbard's visit to North Korea is made at North Korea's request; therefore, we understand Warrant Officer Hall will be returned at the same time Hubbard returns to Seoul tomorrow or the day after tomorrow.

The Ministry of Foreign Affairs added: Hubbard is the highest officer of the U.S. Administration to visit North Korea. He will arrive in Seoul this evening by U.S. military aircraft, and will go to North Korea by car via Panmunjom tomorrow.

Hubbard's Itinerary Given

*SK2712063894 Seoul YONHAP in English 0632 GMT
27 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—U.S. Deputy Assistant Secretary of State Tom Hubbard arrives in Seoul Tuesday before heading to North Korea as a special envoy seeking to repatriate a captured American airman.

Hubbard arrives on a military aircraft around midnight Tuesday at the U.S. military base in Osan and crosses through the truce village of Panmunjom Wednesday morning.

He will meet with Chang Chae-yong, director-general of the American Affairs Bureau at the South Korean Foreign Ministry, for brief talks before he goes to Panmunjom.

The two officials are expected to reconfirm Seoul and Washington's position that Hubbard's mission should be limited to securing the airman's repatriation and have no other implications.

Army Chief Warrant Officer Bobby Hall has been held in North Korea since Dec. 17, when his helicopter strayed in North Korean airspace and was downed.

Another officer on board, co-pilot David Hilemon, died in the incident. His remains were returned last week.

Editorial Protests 'Excluding' ROK

*SK2412065694 Seoul CHOSON ILBO in Korean 24
Dec 94 p 3*

[Editorial: "'Helicopter' and ROK's Position"]

[FBIS Translated Text] A new phase is being opened with the U.S. military helicopter incident as momentum. North Korea's strategy of trying to emasculate the armistice system is working. The question of transferring the dead pilot and surviving pilot has been discussed at a contact between military delegates from the United States and the North, not at an armistice meeting. As a result of a timely visit to the North by a U.S. representative, who held negotiations with high-ranking officials in Pyongyang, the question is being solved.

We welcome that the helicopter incident is being quickly resolved and hope that it will not drag on. This notwithstanding, we are guarding against the possibility that this will not end merely as an incident, but, with this as momentum, a new device, which we will find difficult to accept, will be created. We mean that, in other words, North Korea's tactic of trying to exclude the ROK should not be tolerated.

While "settling" the North's nuclear issue, the United States and North Korea have agreed to exchange missions. We can construe this as based on the principle of reciprocity as long as this is conducive to peace on the Korean peninsula. We should never be an outsider in matters that take place along the cease-fire line area. The cease-fire line is a line separating South and North Korea. Almost all of one side of the entire cease-fire line area is under our Armed Forces' jurisdiction. It is only natural that the incidents that take place in this area should be solved between South and North Korea in principle. Although a foreign country is involved, such an incident should be solved between South and North Korea. Needless to say, our sovereignty should be respected, so should our jurisdictional right.

Accordingly, if there arises the need to create a new device to avoid a similar incident occurring in the future, the ROK should be one party [chuche] to the question of discussing its settlement. This is also the case with the question of rewriting or replacing the Armistice Agreement with another agreement, if it is found that there is something inappropriate in the Armistice Agreement, as the situation has changed tremendously since the signing of the agreement some 40 years ago.

If only the United States and the North create a device, while excluding the ROK as advocated and schemed by North Korea, they will not be able to effectively operate the device; and this will only serve as a factor worsening the conflict between the South and North. The United States and North Korea should fully understand this; and our government, too, should not sit by idly while the helicopter incident is being solved.

Hubbard's Visit to North Viewed

*SK2712013494 Seoul YONHAP in English 0128 GMT
27 Dec 94*

[Report by Yi Tong-min]

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—A humanitarian visit to North Korea by a U.S. deputy assistant secretary of state, the highest-level official to travel to the communist state, to save an American airman will have ample political implications for bilateral relations.

Tom Hubbard, in charge of East Asian and Pacific affairs, arrives in Seoul aboard a military aircraft late Tuesday and passes through the Korean truce village into North Korea Wednesday morning.

His mission is to "facilitate the prompt repatriation" of Army Chief Warrant Officer Bobby Hall, the pilot of a U.S. chopper that strayed into North Korean airspace Dec. 17 and was subsequently downed. Another officer aboard the ill-fated chopper, David Hilemon, died in the incident.

Earlier predictions held that North Korea would release Hall on or around Christmas to maximize the effect, knowing full well the meaning of Christmas to Americans.

But Pyongyang irritated Washington and the American public when it didn't free the airman, and now Hubbard has taken on the task.

The probability is that Hubbard will leave North Korea with Hall. Otherwise, the United States will run out of patience, which North Korea knows is an unnecessary risk at a time when bilateral relations are fast improving.

The Seoul government's reaction has been cool and objective, in keeping with its earlier response that this matter is strictly between Pyongyang and Washington.

"We understand that the United States is doing all it can to solve the issue in a humanitarian way," said a government official on condition of anonymity. "We also understand that Mr. Hubbard's visit has a clear-cut purpose, that is the repatriation of officer Hall, and that it doesn't have any other implications."

Mid-level talks are proceeding between North Korea and the United States regardless, and as long as Washington limits Hubbard's visit to negotiations on Hall's release, Seoul has no reason to be concerned, said this official.

But the visit will have a long-term effect.

First of all, the United States will owe a "political debt" to North Korea. Pyongyang obviously wanted to impart a political coloring to the incident when it, through the UN Command in Seoul, requested that Washington send a special envoy to resolve the situation.

According to inside sources, North Korea indicated that the matter would be untangled more swiftly if negotiated politically.

The two sides have stayed in contact through military representatives at the truce village, but the talks there were more like running in place.

Washington is under pressure to get back one of its serviceman, most of all for humanitarian reasons. Pyongyang saw a chance to turn this into a political event and grabbed the opportunity.

DPRK Demand for Political Talks Viewed

SK2712150794 Seoul CHUNGANG ILBO in Korean 27 Dec 94 p 3

[Article by Kang Yong-chin]

[FBIS Translated Text] A new precedent is being created in North Korean-U.S. relations with the North Korean demand of high-level political talks on the repatriation of a U.S. Army helicopter pilot who is being detained by force in North Korea, and the U.S. decision to send an deputy assistant secretary-level official to North Korea.

North Korea sent a letter to the U.S. Department of State on 26 December through its UN mission in New York conveying its demand, saying: "The U.S. dispatch of an assistant secretary-level official would be helpful for the repatriation of the pilot." The United States accepted the North Korean demand.

Thus, North Korean-U.S. high-level political talks are going to be held in Pyongyang upon the arrival of the highest-level U.S. Government official that the United States has ever sent to North Korea.

Up to the present, U.S. Government officials who have visited North Korea have been deputy chief-level working officials, including Ken Quinones who is in charge of North Korean affairs and Richard Christenson, deputy chief in charge of ROK affairs.

North Korea is trying to maximize its political interests by resolving the pilot repatriation issue through high-level political talks between the U.S. and North Korean Governments, not through negotiations by the Military Armistice Commission [MAC] at Panmunjom (North Korea insists this is a North Korean-U.S. direct military contact).

There are various analyses of the goals North Korea wants to achieve in the upcoming talks.

Kil Chong-u, director of the Policy Department of the National Unification Research Institute, said that the talks were expected and noted: "This is aimed at conciliating North Korea's hard-line military circles, which opposed the results of the North Korean-U.S. negotiations on the nuclear issue."

North Korean military circles are reportedly denouncing the military intentions of the United States, as well as demanding that the U.S. pilot be punished according to North Korean Army law.

However, the North Korean leadership who desires improvement in North Korean-U.S. relations cannot detain the pilot for a long time, and at the same time has to placate the military's opposition to repatriate the pilot.

According to an analysis, North Korea is trying to weaken the MAC in a bid to strengthen its insistence on signing a peace treaty directly between the United States and itself.

A short-term goal of the political talks is to have an advantage in talks on the light-water reactor issue and on the establishment of liaison offices, which are being held according to the North Korean-U.S. negotiations on the nuclear issue.

In other words, North Korea intends to secure a "political debt" from the United States for its generous handling of the U.S. pilot, who committed an absolutely illegal act, through high-level political talks.

Meanwhile, being well aware of North Korea's intention, both the United States and the ROK are meeting North Korea's demand, without objection, from the viewpoint that the repatriation of the pilot is a humanitarian issue.

Right after the U.S. helicopter strayed into North Korean airspace, U.S. President Bill Clinton declared a policy on "mobilizing all means for repatriating the pilot."

Since then, the United States has fully used all available channels to North Korea—such as Congressman Bill Richardson, who was visiting North Korea at the time; talks between Nuclear Ambassador Robert Gallucci and Kang Sok-chu, first vice minister of North Korea, who were partners for the U.S.-North Korean negotiations on the nuclear issue; and the MAC at Panmunjom.

The United States also appointed a U.S. Army representative to the U.S.-North Korean contact at Panmunjom, meeting North Korea's demand of making the contact at Panmunjom a direct military contact between the United States and North Korea. In addition, the United States has accepted North Korea's recent demand for holding political talks.

The U.S. attitude toward negotiations with North Korea imposes a considerable burden on our government, as the ROK is seeking to establish a peace system on the Korean peninsula through North-South negotiations, the parties directly concerned, and the negative public opinion at home on the improvement in North Korea-U.S. relations.

However, the government believes it is not desirable to hinder U.S. actions for the repatriation of the pilot because it is a humanitarian issue.

Regarding Deputy Assistant Secretary Hubbard's planned visit to North Korea, a government official stated: "This is aimed only at the clear purpose, the repatriation of the detained pilot. Accordingly, any other interpretation of his visit is impossible."

The government, however, is on the alert against the possibility that the United States, which does have a good understanding of North Korea's nature, will cope with this issue too hastily.

Envoys Comment on N-S Peace Treaty Discussion
SK2712053194 Seoul YONHAP in English 0520 GMT
27 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—As the issue of replacing the armistice agreement ending the Korean War with a peace treaty looms large again in the U.S.-North Korea negotiations over an American Army helicopter's recent emergency landing in the north,

major nations having an interest in the Korean peninsula generally agree that Seoul and Pyongyang should directly discuss and settle this question.

Ambassadors from these countries concur that should the replacement of the truce accord with a new peace regime be made by the armistice agreement signatories only—the United States, North Korea and China—the peace treaty would be unrealistic.

This opinion was revealed in their answers to questions put to them by YONHAP News Agency recently regarding the issue of scrapping the armistice agreement in favor of a peace treaty.

They also agreed that the maintenance up to now of the truce pact, signed by the United Nations on one side and North Korea on the other in 1953, is abnormal, saying the truce regime should be replaced with a peace treaty.

The Japanese Embassy said in a letter that issues related to the Korean peninsula should be resolved through dialogue between Seoul and Pyongyang.

Japan supports the position of both Seoul and Washington that "the issue of transition of the armistice agreement to a peace treaty should be discussed first through bilateral negotiations" between Seoul and Pyongyang.

"Japan, for its part, will continue to make efforts to urge North Korea to resume the South-North dialogue, and is prepared to make an appropriate contribution in close cooperation with other countries concerned to create a desirable environment for the resumption of such dialogue," the letter said.

The British Embassy, noting that its government "is firmly committed to upholding the provisions of the armistice arrangements until they are replaced by a mutually agreed alternative," said: "If this were to take the form of a peace treaty, it is of fundamental importance that the Republic of Korea should be fully involved in its negotiations and a full signatory to the final document."

The Italian Embassy said it is important to replace the armistice agreement with a peace treaty for the sake of regional stability. "However, it is important as well that all the concerned parties, including the republic of Korea, participate in the negotiations."

But Russian Ambassador Georgiy F. Kunadze told YONHAP in an interview that before talking about forging a new peace regime, it is important to uphold the provisions of the existing truce arrangements and make them fully effective and valid.

North Korea and the United States are not signatories to the armistice agreement because it was signed by their respective military commanders who were not acting in the capacity of national delegates, he added, refuting Pyongyang's argument that it should negotiate a peace treaty directly with Washington.

Kunadze said he can understand Seoul's view that a peace treaty should be negotiated between the countries concerned but added, "In order for an inter-Korean agreement to have obligations of international laws, both sides should first recognize each other as a state."

East and West Germany recognized each other but this did not stand in the way of German reunification, he noted.

He then reminded that North and South Korea, as UN member countries, have each established diplomatic relations with many other nations.

It is premature to discuss dropping the truce pact for a peace treaty now, and should Seoul present such plans without prior consultation with Moscow, Russia would have no choice but to present its own scheme, he maintained.

A government official said he concurs with the view that Seoul and Pyongyang should be the key players in talks on replacing the armistice agreement with a peace treaty. "North Korea should discard its unreasonable demand for direct negotiations with the United States and come, instead, with a plan to resolve the issue through direct dialogue with South Korea," he stressed.

Before a new peace regime takes hold, the existing armistice arrangements must be upheld and kept valid, and in this connection the problem related to a U.S. Army helicopter's emergency landing in North Korea should be solved by the Military Armistice Committee.

The U.S. Embassy did not respond to YONHAP's questions, noting the American Government supports Seoul's position on the issue. But it said that the armistice agreement remains valid until a new situation develops on the Korean peninsula and that if international discussions are held on replacing the agreement with a peace treaty, North and South Korea should be the primary participants.

No Change Seen in DPRK Power Rankings

SK2412090794 Seoul YONHAP in English 0854 GMT 24 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—North Korea marked the third anniversary of Kim Chong-il's taking office as the supreme commander of the armed forces in ceremonies held in Pyongyang and other cities Friday [23 December], though Kim and People's Armed Forces Minister O Chin-u failed to show up in Pyongyang's ceremony.

But those who attended the ceremony in Pyongyang indicated that there has been no change in power rankings since Kim Il-song's death in July, according to the official North Korea watcher here, NAEWOE Press.

On the main platform of the Pyongyang ceremony were such Workers' (Communist) Party Politburo members as Premier Kang Song-san, Vice Presidents Yi Chong-ok

and Pak Song-chol, Vice Premier and Foreign Minister Kim Yong-nam, People's Army Chief of General Staff Choe Kwang and Party Secretaries Kye Ung-tae, Chon Pyong-ho and Han Song-yong.

But Vice President Kim Yong-chu, who is younger brother of the late Kim Il-song, and South Pyongan Province Party Committee's Chief Secretary So Yun-sok did not show up, though they are Politburo members.

Kim Chong-il was last seen in public when he visited the construction site of a bridge near Pyongyang on Dec. 1 and O Chin-u is reportedly undergoing medical treatment.

Of the eight Politburo alternate members, five were on the platform: They were National Defense Committee Member Kim Chol-man, Party Secretary Choe Tae-pok, Vice Premier Choe Yong-nim, Supreme People's Assembly Chairman Yang Hyong-sop and State Planning Commission Chairman Hong Sok-hyong. Hong Song-nam, Yon Hyong-muk and Yi Son-sil did not attend the ceremony.

From the military, Vice Marshals Kim Kwang-chin, Kim Pong-yul and Kim Ik-hyon were between Politburo alternate members and party secretaries on the main platform, as they were in the 100th day memorial service for Kim Il-song, but Vice Marshals Yi Ul-sol and Paek Hak-nim did not show up.

Ministry Says North Augments Combat Capabilities

SK2612022594 Seoul CHOSON ILBO in Korean 26 Dec 94 p 1

[FBIS Translated Text] It has been learned that North Korea recently increased its combat capabilities to a great extent by augmenting the deployment of multi-barrelled rockets, large helicopters, and air cushion vehicles [ACV] for landing operations. As an example, North Korea has additionally deployed approximately 40 240-mm multi-barrelled rockets in the cease-fire line area, placing Seoul within their range.

According to the Ministry of National Defense on 25 December, North Korea recently deployed additional batteries of approximately 40 240-mm multi-barrelled rockets with powerful firing power, with which North Korea can launch a direct assault on Seoul from the cease-fire line area. As a result, the number of North Korea's multi-barrelled rockets deployed in that area is now about 160. It has also been confirmed that North Korea has purchased two Mi-26 helicopters, the largest helicopter in the world, from Russia as part of a contract to purchase four such helicopters. It now seems that the transport capabilities of the North Korean Army will be reinforced to a great extent, because the Mi-26 helicopter, whose transport capability surpasses other ordinary transport aircraft, are capable of transporting 100 soldiers or about 20 tonnes of cargo.

It has also been learned that North Korea has built about 10 additional ACV's, which are capable of reaching an enemy's position at a high speed, thus possessing a total of about 130 ACV's.

President Chairs Session With New Cabinet, Staff
*SK2412054294 Seoul YONHAP in English 0514 GMT
24 Dec 94*

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—President Kim Yong-sam on Saturday urged the new cabinet and presidential staff to summon forth fresh determination in successfully promoting globalization, localization, preparation for unification and economic security.

Presiding over an expanded State Council session at Chongwadae [presidential offices] with all cabinet members including Prime Minister Yi Hong-ku and senior presidential secretaries attending, the chief executive cited "earnest promotion of globalization" as the first priority of the new cabinet. To that end, Kim called for vision, clear targets and bold implementation while stressing that "not only the government but all people should take the lead in globalization efforts," presidential spokesman Yun Yo-chun said.

The head of state asked the new cabinet "to mobilize all your wisdom and abilities for conducting the forthcoming four local elections in a clean and fair manner" and to work at ushering in "genuine local autonomy through an effective division of labor between the central and local governments."

As the third task awaiting the new cabinet, he pointed to the opening of an era of inter-Korean reconciliation and cooperation. Kim instructed the cabinet to endeavor "to make next year a year of initiating the process of unification through reinvigorated dialogue, exchange and cooperation between the two Koreas."

Emphasizing the need for economic security and heightened competitiveness, the president called for promotion of deregulation, maintenance of price stability and pursuit of an appropriate and steady economic growth rate.

To achieve the restoration of stability and vitality to the civil service, Kim called on the cabinet to complete the government reorganization at an early date and raise the morale of public servants.

He also dwelled on the need to resolve safety problems and enforce preventive administration.

Prior to the State Council meeting, the president in a ceremony handed letters of appointment to his newly appointed cabinet members including Deputy Premier and Finance-economy Minister Hong Chae-hyong, and just-assigned senior presidential secretaries including special aide for Political Affairs Pak Kwan-yong and Senior Secretary for Policy Planning Pak Se-il.

Ambassador to the United States Han Sung-su, appointed chief presidential secretary; Ambassador to Japan Kong No-myong, named foreign minister; and Ambassador to the United Nations Yu Chong-ha, picked as senior presidential secretary for foreign affairs and national security were absent from the ceremony as they have to yet return home.

Prime Minister Yi reported to the State Council session that his cabinet would place top priority on reinforcing national competitive power and maintaining stability in citizens' daily lives.

Further Profiles of New Ministers, Secretaries

*SK2412030994 Seoul THE KOREA HERALD in
English 24 Dec 94 pp 2, 3*

[FBIS Transcribed Excerpt] Profiles of ministers and presidential staff: Chu Ton-sik Minister of Culture and Sports

Known for his sharp analytical capability and good writing skills, Chu, 57, worked as a journalist for 28 years before joining the current administration as a senior presidential aide.

While working as a political reporter at the Daily CHOSON ILBO, he got acquainted with President Kim Yong-sam, then an opposition lawmaker.

Reputed for a mild and calm character, Chu served as political editor, managing editor and editorial writer at the paper.

He entered Chongwadae [presidential offices] as senior presidential secretary for political affairs with the inauguration of President Kim in February last year, and was appointed spokesman in December the same year.

He graduated from Seoul National University's College of Education in 1961. Pak Chae-yun Minister of International Trade and Industry

The former minister of finance is one of the key economic ministers who has played a major role in drawing up the five-year economic plan under the civilian administration of President Kim Yong-sam.

Pak, 53, had served as minister of finance since Oct. 5 this year before assuming his new post.

A native of Pusan, Pak joined President Kim Yong-sam's campaign team before the 1992 presidential election.

He was appointed senior presidential secretary for economic affairs in February 1993.

The new minister of international trade and industry started his career as an economics professor at Seoul National University [SNU] in 1971, after earning a Ph.D in economics from Indiana University in the United States.

While retaining his post at SNU, he sat on a number of economic research institutes as a visiting fellow, and served as a member of the Monetary Board under the umbrella of the Bank of Korea and president of the Korea Institute of Finance.

He has written three books, including "Principles of Money and Banking." Kyong Sang-hyon Minister of Data and Communications

Graduating from Seoul National University's Engineering College in 1958, Kyong, 57, had worked at a variety of telecommunications-related R&D posts before taking office as vice minister of communications last year.

Kyong, who also studied at the University of Rhode Island in the United States and earned a doctorate at the Massachusetts Institute of Technology (MIT) in 1965, taught at New York University after working at the Argonne National Laboratory and Bell Communications Research Lab.

He went on to serve as vice president of Korea Telecom from 1982 to 1984, president of the Electronics and Telecommunications Research Institute (ETRI) from 1985 to 1991, and president of the National Computerization Agency in 1992.

A native of Seoul, Kyong is credited with helping to modernize the nation's telecom industry by playing a leading role in the development of TDX switching system, Ticom computer and 4M DRAM semiconductor. Kim Chung-wi Minister of Environment

A three-term lawmaker of the ruling Democratic Liberal Party (DLP), Kim has served at major posts in the party.

A graduate of Korea University, Kim, 55, worked as a staff member of the now-defunct Democratic Justice Party (DJP) from 1977 to 1980 and became a lawmaker of the party in 1985 under a proportional representation system during the rule of ex-President Chon Tu-hwan.

He then joined the DLP with the merger of the DJP into the DLP in 1990. He later served as the policy coordinator of the DLP and chairman of the National Assembly Budget-Settlement Committee.

He also served as a policy aide to President Kim Yong-sam when he was the presidential candidate of the ruling party. Yi Hyong-ku Minister of Labor Affairs

Born in Chongyang, South Chungchong Province, in 1940, Yi has served as governor of the Korea Development Bank since 1990. He succeeds Nam Chae-hui.

Before taking office as the head of the state-run bank, Yi, 54, served as vice minister of the now defunct Economic Planning Board.

A graduate of Seoul National University, Yi is known as an authority on the country's economy. He has written

books on the South Korea's economy. O Myong Minister of Construction & Transportation

A native of Seoul, O, 54, served as minister of communications and chairman of the '93 Taejon Expo Organizing Committee before becoming the last minister of the now-defunct Ministry of Transportation.

He graduated from the Kyonggi High School and Korea Military Academy. His interest in engineering led him to complete a bachelor's course at Seoul National University in 1966, majoring in electronics engineering. In 1972 he earned a doctorate in engineering from the State University of New York.

Returning from the United States, he worked as assistant professor and associate professor at Korea Military Academy and as senior researcher at the Agency for Defense Development. Chong Kun-mo Minister of Science and Technology

A U.S.-educated applied physicist, Chong, 55, is one of the few Korean scientists well known abroad.

Chong assumed office as president of Daewoo Group's Institute for Advanced Engineering (IAE) in 1993 after serving as minister of science and technology for nine months from March 1990.

Chong had also headed the Korea Institute of Energy Research, Korea Science Foundation and other think tanks from 1982 to 1988 and was elected as chairman of a 1989 International Atomic Energy Agency meeting.

He was a top-scoring student getting admitted to the nation's most prestigious middle and highs schools. He skipped two high school years to enter Seoul National University.

After receiving a Ph.D. in physics from Michigan State University at the age of 23, he held various teaching and research posts at many U.S. institutions, including MIT and New York University.

A native of Seoul, Chong is also known as deeply devout Christian. Kim Chang-suk Second State Minister for Political Affairs

Kim, 60, played a key role in revising and enacting laws to promote women's rights while serving as national legislator for two consecutive terms from 1985 to 1992.

Reputed to be a woman with a mild character, she has proved her skills at organization and administration while serving as director of the women's affairs office and at other ruling-party posts over the past 10 years.

A 1958 graduate of Seoul National University's College of Pharmacy, Kim once served as vice chairman of the Korea Pharmaceutical Association and member of the Advisory Council on Democratic and Peaceful Unification. Kim Ki-sop Minister of Legislation

Kim, 55, is a prosecutor but generates a rather soft image.

A graduate of the College of Law, Seoul National University, he has been slow in moving up the ladder as compared with his famous colleague prosecutors like Yi Kon-kae.

He has however, been in the spotlight since he was picked up as vice justice minister last year.

Kim is also known for his frugality. He lived in a rented house until 1987 when he moved to an apartment in southern Seoul. Hwang Chang-pyong Minister of Patriots & Veterans Affairs

Hwang, formerly the first deputy director of the Agency for National Security Planning (NSP), worked at the NSP for nearly 30 years.

A man of intelligence, he has many acquaintances in the government, political parties and business circles.

Government sources had long predicted that Hwang would some day be picked for an important government post because of his outstanding capability and character.

Born in Masan, South Kyongsang Province, Hwang is married to Kim Ok-hui, 52, and has a son and a daughter. [passage omitted]

Government Announces Vice Minister Appointments

SK2612032694 Seoul YONHAP in English 0253 GMT 26 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—Kang Pong-kyun, former vice economic planning minister, became chief assistant to the prime minister for administrative coordination and Yi Sok-chae, former vice agricultural, forestry and fisheries minister, was appointed vice minister of the Board of Finance and Economy.

The government announced 22 new vice ministers on Monday.

After effecting a sweeping cabinet reshuffle last Friday, the government is replacing vice ministers.

Pyo Se-chin, former executive assistant to the prime minister, was promoted to chairman of the Fair Trade Commission, while Kim Mu-song, presidential secretary for petitions and information, became vice home affairs minister.

Yi Chong-lin, planning and management director of the Defense Ministry, was promoted to vice defense minister.

Pak Sang-u, assistant first minister for agriculture, forestry and fisheries, became vice minister and the present vice minister for trade, industry and energy, Pak Un-so, was appointed vice minister for trade and industry.

Yi Kye-chol, the communication ministry's assistant minister for the planning and management office, was named vice minister of the Information-Communication

Ministry while Kim In-hwan, the Environment Ministry's assistant minister for the planning and management office, was picked as vice minister of the Environment Ministry.

Chu Kyong-sik, vice minister of the Health-Social Affairs Ministry, was appointed vice minister of the Health and Welfare Ministry and Choe Sung-pu, chairman of the Industrial Safety Management Corp., was named vice labor minister. Vice Construction Minister Yu Sang-yol became vice minister of the Construction and Transportation Ministry.

Ku Pon-yong, vice transportation minister, was moved to vice science and technology minister, and Yu Kwang-on, joint representative of the magazine SINMUNRO FORUM, became first vice state minister for political affairs.

Song Tae-ho, presidential secretary for social, educational and cultural affairs, became chief secretary to the prime minister and Chong Hyong-kun, chief of the planning and judgement bureau at the Agency for National Security Planning, was promoted to first deputy director of the agency.

Yun Ung-kyu, chief of the government building's planning and management office, was named administrator of the Central Officials' Training Institute.

Pak Il-yong, chief of the Seoul Metropolitan Policy Agency, was appointed commissioner general of the National Policy Agency while Yim Chang-yol, first assistant finance minister, became administrator of the Office of Supply.

Pak Kwang-hun, deputy fisheries administrator, was promoted to fisheries administrator. Deputy military manpower administrator Song Chae-hwan also moved up to the post of administrator.

Kim Yong-son, vice governor of Kyonggi Province, was appointed Kyonggi governor.

Chongwadae [presidential offices] chief secretary Yun Yo-chun said, "In the change of vice ministers, there is a strong will of President Kim Yong-sam to push for steady reform and globalization of this country."

New Ministers, Secretaries Interviewed

New Defense Minister

SK2512035394 Seoul SEOUL SINMUN in Korean 25 Dec 94 p 5

[Interview with Minister of National Defense Yi Yang-ho by Pak Chae-pom at Defense Ministry on 23 December—first two paragraphs are SEOUL SINMUN introduction]

[FBIS Translated Text] In an inauguration ceremony held at the Ministry of National Defense Army Hall at around 1100 on 24 December, Defense Yi Yang-ho, the

country's 32d minister of national defense, said: "It is our duty, and our task, to cultivate strong Armed Forces, which can win victories in combat, to win genuine love from our citizens, and to boost morale."

Previously, at around 1700 on 23 December, when the government issued an announcement on the cabinet reshuffle, a ceremony was held at East Wing Square of the Ministry of National Defense to officially discharge Yi Yang-ho from active military service. Emerging from this ceremony, he came to the reporters room on the first floor of the ministry building, where he made his views public:

[Pak Chae-pom] What would you like to say upon assuming your post?

[Yi Yang-ho] I will do my best for the development of the Armed Forces in the future. The task of our Ministry of National Defense is to deter the enemy's provocation by maintaining a strong national defense capability. Over the past two years, the Armed Forces have achieved much development in a changing situation. Starting next year, under a more stable situation, I will establish military discipline and increase the combat capability of the Armed Forces. In particular, I will strongly maintain the ROK-U.S. combined forces system, while closely cooperating with the United States.

[Pak] Have you heard from the man with the prerogative of supreme command [the president] regarding your appointment to the ministerial post?

[Yi] The president takes the greatest interest in boosting morale, while the military is stabilized; in establishing military discipline; and in securing combat capabilities. In this regard, I will make many efforts to have the military stand in its proper place.

[Pak] What is the military going to do in the future to conform with the government's policy for globalization?

[Yi] Since the Korean war, our Armed Forces have followed in the footsteps of the U.S. system. In line with the current research being done by the 21st Century Committee, there has been an increasing need to improve the military organization and system to suit our reality.

[Pak] It is inevitable to conduct a follow-up personnel reshuffle in the Armed Forces as the chairman of the Joint Chiefs of Staff, the Army chief of staff, and the commander of the 3d Army have been changed at the same time.

[Yi] The vacant posts will be filled inevitably. Otherwise, I will conduct a personnel shakeup next April when a regular personnel reshuffle is conducted.

[Pak] Concern has been expressed that you are not powerful enough to take hold of national defense affairs because you are from the Air Force.

[Yi] Since I was promoted to lieutenant general, I have learned many things while working at the Ministry of National Defense and the headquarters of the Joint Chiefs of Staff. Therefore, my personal view is that if one carries out his duties in a rational way and on the basis of his own conviction, he will not have regrets later.

New Foreign Minister on Goals

SK2512030394 Seoul SEOUL SINMUN in Korean 25
Dec 94 p 5

[Interview with Foreign Minister Kong No-myong by Tokyo-based reporter Kang Sok-chin; place and date not given—first paragraph is SEOUL SINMUN introduction]

[FBIS Translated Text] It is the first time that a ROK ambassador to Japan has become the foreign minister. New Foreign Minister Kong No-myong, former ROK ambassador to Japan, began cautiously: "I feel heavy responsibility as I have abruptly been appointed to an important post."

[Kang Sok-chin] What will be the direction of future foreign policy?

[Kong No-myong] President Kim Yong-sam has been setting goals for state policies, such as globalization, localization, and preparations for national unification. As the chief of the Ministry of Foreign Affairs, which is one of the working ministries to meet those goals, I will exert efforts so that our security and economic interests can be pursued without a hitch, while solidifying our relations with neighboring, friendly countries on the basis of our relations with the United States and Japan.

[Kang] What are your thoughts on globalization and economy-related diplomacy?

[Kong] There is a saying: "Borderless competition." National security, too, should be based on economic capability. I think it is important to increase self-dependency through imports of technology in terms of foreign trade. It is also necessary to seek further collaboration [hapjak] with Japan, thereby cultivating our capability to be less dependent upon imports. To reach that end, I think it is necessary to make efforts to mobilize all diplomatic networks of the Ministry of Foreign Affairs. I will also try to establish a system of close cooperation with economy-related ministries and agencies.

[Kang] It has been pointed out that there has been disunity among the foreign affairs team.

[Kong] Our country is under the presidential government system. There surely are ways to implement relevant policies harmoniously through close negotiations among pertinent ministries and agencies, while realizing President Kim's policy goals. I will make efforts to foster close cooperation between relevant ministries and agencies.

[Kang] Do you think something could be basically corrected in the execution of foreign policies?

[Kong] I will take my time to correct what should be corrected and make the most of what have been proven to be our strong points. I will see to it that the officers of the Ministry of Foreign Affairs have an attitude of sincerely implementing foreign policies, while fulfilling their duties as foreign officers. Also, I will try to galvanize the organization of the Ministry of Foreign Affairs. This has been my central philosophy for 40 years of service at the Ministry of Foreign Affairs.

[Kang] From what standpoint are you going to approach the North Korean nuclear issue?

[Kong] The North Korean nuclear issue is very important. I think if the agreed matters are faithfully implemented within the framework of the North-U.S. agreement, the nuclear issue will be solved. To see a faithful implementation of the agreement, I will seek the solution of the issue by maintaining and consolidating the international cooperative system.

Foreign Minister on Economic Diplomacy

SK2512110794 Seoul YONHAP in English 1051 GMT
25 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 25 (YONHAP)—Newly-appointed Foreign Minister Kong No-myong emphasized economic globalization Sunday as key element of South Korean diplomacy, saying never to forget that the Foreign Ministry is an Economic Ministry as well.

Kong, who just arrived from Tokyo where he served as South Korean ambassador for nearly two years, reiterated his position at an airport news conference that opening up to Japanese mass culture should be considered from the perspective of globalization, suggesting he is for the idea.

On concerns that he is a hardliner who will be tougher on North Korea than his predecessor, the foreign minister called himself "a realist who champions values, who does not compromise in ideology."

Asked about specific plans in pursuing "globalization", a catch phrase made by President Kim Yong-sam, Kong emphasized economic aspects.

"The most urgent tasks is economic competitiveness," said Kong. "This could be done in number of way, such as easing of various regulations."

Getting elected as director-general of the World Trade Organization and joining the Organization for Economic Cooperation and Development are relevant tasks, he said.

Questioned on his position about allowing import of Japanese mass culture, he said the matter should be approached cautiously, bearing in mind the public sentiment.

Kong, while ambassador, raised up a storm when he suggested that South Korea should no longer oppose the opening.

"We should be forward-looking as we pursue globalization," he told reporters.

The new foreign minister was firm on continuing of South Korea's basic foreign policy bases—relations with Japan and the United States. "There can be no change to these fundamentals," he said.

Foreign Minister Seeks 'Revitalization'

SK2612061394 Seoul YONHAP in English 0535 GMT
26 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—New Foreign Minister Kong No-myong gave more weight to administrative operation than to policy Monday, repeating his call for a "revitalization" of the Foreign Ministry.

Addressing ministry staff after being formally appointed by President Kim Yong-sam earlier in the morning, Kong said that personnel management and budget are the pillars of effective operation.

"There were those who felt left out of the system because the government was preoccupied with the North Korean nuclear problem," the foreign minister said. "We have to create a sense of oneness."

He likened the Foreign Ministry's function to a "2.5 war strategy" of planning so that two major wars and a local conflict can be fought and won at the same time.

"We have to be prepared for the 2.5 strategy," he said.

Asked about an envoy reshuffle, Kong said one would come very soon.

Kong himself was appointed while serving as ambassador to Japan. Ambassador to the United States Han Sung-su returned to Seoul as chief presidential secretary and Ambassador to the United Nations Yu Chong-ha also returned as presidential secretary for foreign and national security affairs.

New Finance Minister

SK2412024894 Seoul THE KOREA HERALD in
English 24 Dec 94 p 8

[FBIS Transcribed Text] Deputy Prime Minister-Minister of Finance and Economy Hong Chae-hyong said yesterday that the new economic team's foremost task will be to create the best environment for various sectors of society to attain world-class competitiveness.

"First, the government will try to maximize its own productivity and then help improve the domestic climate so that businesses can also become global players," Deputy Premier Hong said. "In this regard, the new

Board of Finance and Economy will not reign over smaller ministries but serve them."

Hong, who was appointed yesterday by President Kim Yong-sam to serve as the first head of the new, powerful economic agency, also stressed the need to further advance the nation's financial liberalization, while pursuing optimal economic growth and stability.

The following are questions and answers during a news conference held at the Board of Finance and Economy immediately after his appointment.

Q: How will you operate the new giant agency?

A: As all of you know, the new board is the outcome of the merger between the Economic Planning Board (EPB) and the Ministry of Finance (MOF). However, it is not just a "physical union" of two agencies but is aimed at making a new start to meet the call of the times.

The officials at the new agency should no longer regard themselves as former EPB people or ex-MOF men, but as founding members of the entirely new Board of Finance and Economy.

As for personnel management, I will start to mix the officials of less important departments at the two old ministries, while leaving those at key divisions to do their present duties.

Q: What concrete plans do you have to globalize the nation's economy?

A: Both the government and businesses should reach world-class levels. The government's role is to create the most convenient climate for corporate activities.

There should be an aboutface of policy function in this direction, such as drastically relegating the board's administrative authority to related ministries.

Although reduced in organizational scale, the board should be reborn as a more creative and resilient body.

Q: What do you define as the major roles of the new board?

A: The board will continuously take the leading role in the economy, such as spearheading the nation's financial liberalization ahead of schedule. It will also take up the slack, by tackling areas that are important but have been neglected in the course of breakneck development, including environment, transportation, accident prevention and food safety.

Q: What do you think of the transfer of the budget office to the Office of the Prime Minister and the Bank of Korea's independence from the board, as argued by opposition lawmakers?

A: The central bank's monetary policy cannot be separated from other fiscal and financial functions. Only when these macroeconomic elements go together in a

proper policy mix, will the government be able to conduct effective policy, which can best be undertaken by the new board.

To redeem 700 billion won of government debt as promised and stabilize next year's inflation rate, the board has both the fiscal and monetary functions.

Q: Which agency will be responsible for administrative deregulation and privatization of government-held corporations under the restructured government system?

A: I will flexibly cope with the two policy tasks, by allocating them to pertinent offices. The deregulation will continue under close consultation with the Presidential Office.

Q: Will the new board maintain its current relationship with the Bank of Korea?

A: The most important task of the new board is to curb inflation to the 3-4 percent level within a few years.

In this vein, the relationship between the board and the central bank should be established not in terms of system and institution but in its effective operation.

Now that the rival political parties have agreed on some basic points, I think there will be plenty of time for further discussion.

Q: How would you fix the inconsistent government policy about large conglomerates?

A: My principle policy of the so-called chaebol is to respect their self-determination and free competition.

Excessive concentration of economic power and too wide diversification, however, is not desirable.

The government will continuously resort to the existing Fair Trade and Antimonopoly Law as a means of controlling these adverse effects, such as limiting cross investments, excessive equity holdings, unfair internal transactions and abuse of superior status.

Q: What is your economic forecast for 1995?

A: The Korean economy will continue to remain in the expansionary phase next year and the world economy will also maintain its recovery, leaving little room for worries about further growth.

The rising prices in international commodity markets and the booming domestic economy, however, may increase price pressure not only next year but more seriously in 1996.

If the government fails to hold inflation in check, we may experience another stagflation, or low growth amid high inflation, two years later.

Trade, Industry Minister on New Policy

SK2612080494 Seoul YONHAP in English 0717 GMT
26 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP)—International Trade and Industry Minister Pak Chaeyun said Monday he would announce a new government

industrial policy shortly so that business corporations can formulate their management plans for the coming year.

Noting that the present administration has conducted an overall review of industrial policy since its inauguration in early 1993, Pak told reporters it is necessary to realign the existing industrial strategy with the deregulation measures taken thus far.

The new industrial policy will include measures related to business specialization, concentration of economic power and entry into new lines of industry, as well as steps for developing new means of carrying out the policy, he explained.

Pak's remarks caught the attention of the business community because it was thought he might hint at a change in the deregulation steps the government took when it gave the green light for the Samsung group's plans to produce passenger cars.

The greatest mission of the International Trade and Industry Ministry is to help businesses sharpen their competitive edge, and to that end Korean firms must have a high technical level, stable labor-management relations and strong marketing power, he said.

"As all three of these factors are based on labor-management cooperation, the International Trade and Industry Ministry will now have a positive interest in the role management should play in promoting such cooperation," he added.

Asked about Former Trade, Industry and Energy Minister Kim Chol-su's bid to become director-general of the World Trade Organization (WTO), Pak said Kim's quitting the ministry does not mean he has given up on this goal.

"Instead, he can now concentrate more on the WTO director-general election than he did before and the government is moving to form a support team for his election."

Trade, Industry Minister on Labor

SK2712084694 Seoul KYONGHYANG SINMUN in Korean 27 Dec 94 p 8

[Interview with Pak Chae-yun, new International Trade and Industry minister, by No Ung-kun; place and date not given—first paragraph is KYONGHYANG SINMUN introduction]

[FBIS Translated Text] In an informal meeting with reporters Pak Chae-yun, minister of International Trade And Industry, stressed: "To make business enterprises strong, it is imperative to stabilize their labor-management relations," and "the Ministry of International Trade and Industry [MITI] will concentrate its efforts on this in the future."

[No Ung-kun] What makes a business enterprise strong and effective, as you stressed in your inaugural speech?

[Pak Chae-yun] The three major elements that determine the strength of an enterprise are its technological level, labor-management relations, and marketing ability. Most important among these elements is stable labor-management relations. Without stable labor-management relations, technological development or marketing activities cannot take place.

[No] What should the MITI do in order to achieve stable labor-management relations?

[Pak] We will pay more attention to the role of managers in achieving good labor-management relations. We will advise and lead them and give them ideas to improve labor-management relations. Of course, we will do these activities under close coordination with the Ministry of Labor, which is responsible for the government's policies on labor affairs.

[No] What is the direction of your trade and industry policy?

[Pak] We are now not in a situation in which we can use old, previous means. Furthermore, people have speculated that the government has failed to establish a firm trade and industry policy. Almost two years have passed since we embarked upon the "new economy," therefore, it is necessary to review and rearrange the direction of our trade and industry policy. However, the basic direction of our policy will not change. I believe it is also necessary to inform businessmen of the direction of our trade and industry policy.

[No] Do you have any plans to meet with businessmen?

[Pak] It will be difficult for me to meet with businessmen this year. I will be able to meet with them as soon as the basic direction of our trade and industry policy is provided.

[No] What is your plan to support former Minister Kim Chol-su's candidacy for the post of secretary general of the World Trade Organization?

[Pak] All possible efforts are now under review at the government level so former Minister Kim Chol-su can concentrate all his efforts on running for the post. A concrete plan for this will be provided by the government within two to three days. Former Minister Kim's candidacy for the post is not only his own individual affair, but also our country's affair.

[No] It is said that the morale of officials at the MITI is very low.

[Pak] As you can see by our different name, our ministry is undergoing change. I will arrange a rally of MITI members for fostering unity and a new start early next year.

Trade, Industry Ministry on Role

*SK2512010894 Seoul THE KOREA TIMES in English
25 Dec 94 p 8*

[FBIS Transcribed Text] The role of the International Trade and Industry Ministry is to help enterprises become strong and efficient, new International Trade and Industry Minister Pak Chae-yun said yesterday.

"Trade policy can be successful when it makes enterprises strong and when industrial and resource policies aim at supporting strong companies," Pak told his officials at a greeting session yesterday.

The International Trade and Industry Ministry has been set up to meet national needs in an era of economic war, openness and globalization, he said, adding that the ministry has been commissioned to play a pivotal role in raising the ability of Korean products to compete in the worldwide economic war.

Pak also said that his ministry would carry out policies in trade, industry and resources that embody a consistent vision.

"Trade policies will have to be carried out to promote competition amid cooperation with all other nations. Industrial policies should be drawn up by both the government and the private sector. Policies on natural resources should be prepared to balance supply and demand in the long-term," Pak said, elaborating each policy.

The former finance minister is one of key economic ministers who has played a major role in drawing up the five-year economic plan under the civilian administration of President Kim Yong-sam.

A native of Pusan, Pak joined President Kim's campaign team before the 1992 presidential election and was appointed senior presidential secretary for economic affairs in February, 1993.

The scholar-turned administrator called on public servants to be competitive. "The Ministry of International Trade and Industry (MITI) of Japan, the Trade Representative Office and the Commerce Department of the United States and the German Economic Ministry are our rivals," he said.

Upon being appointed as the trade minister Friday afternoon, Pak said that he will make efforts to make his ministry a forefront agency responsible for the competitiveness of Korean products on international markets.

"Trade policy is at the forefront of economic policies. I will do my best to help companies sharpen competitiveness in the world," Pak told reporters.

"I believe competitiveness of businesses comes from three basic factors: technology development, peaceful labor-management relations and marketing ability," said Pak, 53, who was transferred from the finance minister-ship only 80 days after he assumed the post.

The Finance Ministry was merged with the Economic Planning Board to form the Ministry of Finance and Economy in the reorganization of administration agencies Friday. The Trade, Industry and Energy Ministry became the International Trade and Industry in a move to strengthen external trade policy.

"I will make efforts to create an atmosphere in which business will be able to implement the three key factors," Pak said, adding that he would hear businessmen's views through frequent contacts with them.

New Unification Minister

SK2512010594 Seoul THE KOREA HERALD in English 25 Dec 94 p 2

[FBIS Transcribed Text] Kim Tok, the nation's new top unification policy-maker, yesterday emphasized the need to take a practical approach to ensure progress in relations with North Korea. He rebuffed two extreme views that North Korea will never change or that the unification can be achieved in a day, saying none of these theories will be of any help in advancing the cause of national unification.

Kim, appointed as deputy premier and unification minister in Friday's sweeping cabinet reshuffle, said that the shortest way to unification is to take a step-by-step approach.

"How can we achieve unification without the process of making practical progress in inter-Korean relations?" said Kim, speaking at his inaugural ceremony.

Kim, former head of the Agency for National Security Planning (NSP), the nation's top intelligence body, predicted that a major breakthrough will not come soon in South-North relations.

He said the uncertainty about the leadership in Pyongyang allows no optimism over future inter-Korean ties.

"Nevertheless, we should have confidence and make efforts to create an atmosphere in which the North will change in the right direction," he said.

Meeting reporters after his inaugural ceremony, Kim reiterated that he will make active efforts to achieve an atmosphere conducive to promoting inter-Korean exchanges and cooperation.

Kim, regarded as holding conservative views on North Korea, said the South, whether it likes it or not, should try to lead the North to become a partner in cooperation.

He was confident that he would be a good coordinator of North Korean policies, saying that he is acquainted with all the members of the foreign affairs and security team of the government.

He said his experience as NSP head will also help promote exchanges of information on North Korea

between the intelligence agency and the National Unification Board which he leads.

Government Administration Minister

*SK2512010694 Seoul THE KOREA TIMES in English
25 Dec 94 p 2*

[FBIS Transcribed Text] New Government Administration Minister So Sok-chae emphasized the incessant propelling of the reform drive in his inaugural speech yesterday.

"To sharpen the nation's competitive edge on the international platform, public servants should first change their ways of thinking and lend themselves toward realizing the national goal of globalization," So said.

He also stressed the development of quality of administrative services, saying that the government should try to transform itself into an organization serving the people, not the kind which exercises power.

Accepting that the nation's official-dom is unstable due to sweeping government reorganization, So promised that he will place top priority on creating an atmosphere where all government officials will feel like working.

"A competitive system should be introduced in which those who are competent and clean stand a better chance of promotion rather than the monolithic seniority system," So said.

Rep. Kim Yun-hwan, just-appointed first state minister for political affairs, stressed that he will put top priority on realizing President Kim Yong-sam's governing ideology as his staff on political affairs.

Meeting press right after his inaugural ceremony, the four-term lawmaker of the ruling Democratic Liberal party also said he will try to keep close cooperative relations among the administration, the National Assembly and political parties.

"I think it is also an important aspect of the post to recover the people's credibility in the nation's politics," said the veteran politician who has served at the post twice in the past.

Diplomatic, Security Affairs Secretary

SK2712081294 Seoul KYONGHYANG SINMUN in Korean 27 Dec 94 p 2

[Interview with Yu Chong-ha, newly appointed senior presidential secretary for diplomatic and security affairs, by Kim Hak-sun on 26 December; place not given—first two paragraphs are KYONGHYANG SINMUN introduction]

[FBIS Translated Text] Yu Chong-ha, newly appointed senior presidential secretary for diplomatic and security affairs, stated on 26 December: "There are different ways to map out and practice diplomatic and security

affairs policy, but there is no difference in the fundamental attitude to resolve issues. Therefore, there will be no confusion in diplomatic and security affairs policy in the future."

After receiving his credentials, Senior Secretary Yu held an interview with reporters and revealed his intention and determination on carrying out diplomatic and security affairs policies.

[Kim Hak-sun] There are many indications that discord exists among the diplomatic and security affairs team members.

[Yu Chong-ha] It seems that there were different viewpoints because the same issues were viewed from different positions. However, there is no difference in the fundamental attitude of dealing with issues. There might be differences in interpretation and assessment of the situation, but I believe there can be no differences in resolving the issues. Diplomatic and security affairs policy is ultimately decided upon by the ruler and put into practice by the cabinet members. Therefore, there can be no great difference. I will consider this issue because confusion in diplomatic and security affairs policy may cause apprehension in the people. Even though there are different opinions, I am sure that they will be resolved. In particular, Foreign Minister Kong No-myong and I entered the Foreign Ministry at the same time and I am close to him personally, as well.

[Kim] Did you have a chance to meet with President Kim Yong-sam before?

[Yu] I met with him on several occasions, including when I was in the Foreign Ministry and had the opportunity to listen to his views.

[Kim] What is your relationship with Deputy Prime Minister Kim Tok?

[Yu] I have known him for a long time. We have been meeting frequently for 20 to 30 years and I met him whenever I return from abroad.

[Kim] North Korea is currently rejecting the ROK-type reactor.

[Yu] I know that this matter has already been agreed upon and is now at a workable stage.

Editorial Examines New Security Affairs Team

SK2612041894 Seoul KYONGHYANG SINMUN in Korean 26 Dec 94 p 3

[Editorial: "There Must Be No Confusion in the Policy of the Diplomatic and Security Affairs Team"]

[FBIS Translated Text] One of the characteristics of the 23 December cabinet reshuffle is the overall reshuffle of the diplomatic and security affairs team. Ministers of the National Unification Board, the Foreign Affairs Ministry, the Defense Ministry; Minister of the Agency for National Security Planning; and the senior presidential

secretary for diplomacy and security affairs, were all replaced. Such a full-scale replacement signifies that it is meant to dissolve confusion in carrying out diplomatic and security affairs policy, which was partially shown in the former cabinet. Public opinion views the disposition of the new figures as 'conservative,' which supports the president's will in the reshuffle of the diplomatic and security affairs team.

Confusion in diplomatic policy is intolerable in the rapidly changing environment of international politics. Moreover, since our position makes it inevitable to be sensitive to the trend of international politics, if our diplomacy wavers due to confusion in diplomatic and security affairs policy, this can easily jeopardize the foundation of a nation. Therefore, it is needless to point out that what is most important in our current diplomatic and security affairs policy is to establish and abide by a clear principle.

There is bound to be a counterpart in carrying out diplomacy. Currently, the core of our diplomacy is to take policy-oriented and practical measures on improving DPRK-U.S. relations and creating the basis for reunification through the improvement of South-North relations. This confirms that the primary counterparts of our diplomacy are the United States and North Korea. When carrying out diplomacy with a counterpart that is difficult to discard or avoid, it is all the more necessary to establish an objective principle from a long-term view because falling into self-contradiction can be avoided if there is a clear principle.

From now on the new diplomatic and security affairs team must emphasize improving South-North relations. North Korea, which is pursuing the improvement of relations with the United States by linking the issue of resolving its nuclear issue, is intentionally raising its voice to alienate us. Our interpretation of this is important. It is our judgment that the era of competitive South-North diplomacy has passed, but provoking North Korea unnecessarily makes South-North relations all the more difficult.

Another point is that the new diplomatic and security affairs team must have an objective view regarding the United States. ROK-U.S. relations is an unavoidable relationship and at the same time stands in the center of change. If U.S. policy on relations with the ROK changes, it is natural for the ROK policy on relations with the United States to change. In particular, it is being conveyed that there is some discord and friction between the ROK and the United States in assisting the North with the light-water reactor and heavy oil. The new diplomatic and security affairs team must be able to say 'No!' to the United States, if necessary.

As the newly formed diplomatic and security affairs team accumulates expertise and experience, it must not repeatedly disappoint the people by causing confusion in its policy and go through trials and errors, as in the past.

Editorial Urges Teamwork in Foreign Policy

SK2612070294 Seoul CHOSON ILBO in Korean 26 Dec 94 p 3

[Editorial: "New Turning Point Needed for Foreign Affairs-National Security Team"]

[FBIS Translated Text] Many people are calling the new foreign affairs-national security team "middle-of-the-road, conservative," when compared with their predecessors. It remains to be seen if the new team's foreign affairs and national security policy will further complicate relations with the North, or such a policy will make greater substantial progress.

It is clear that those in the new foreign affairs-national security team have had their experience and competency fully tested. The new team members will not repeat the blunders of their predecessors, who saw distance placed between their ideals and reality in the execution of their foreign affairs and national security policy. We now expect that the civilian government will depart from the initial phase of trials and errors, and enter into a phase of maturity in the implementation of its foreign affairs and national security policy.

Over the past several years our foreign affairs and national security policy has been focused only on relations with the North—the North's nuclear issue. This is because the collapse of socialism in the Soviet Union and East Europe allowed us to regard national unification as a possible dream and because the world focused on North Korea's nuclear issue. Therefore, in a sense, our foreign affairs and national security policy paid little attention to conducting multilateral diplomacy toward other countries, while sticking to the questions concerning the North.

Anyway, now that the North's nuclear issue is moving along the path to a solution and our national goal has been set toward globalization, we should take a broader view in conducting our foreign affairs and national security policy. We should no longer cling only to national unification-related policy toward the North. We can find other ways everywhere in the world to lead a better life, while seeking national security.

If we execute general foreign affairs and national security policy from a broad viewpoint, we will also be able to implement national unification-related policy—policy concerning the South-North relations—in a substantial way within the framework of such a foreign and security policy. By so doing, we will be able to break away from the past practice characterized by the awkwardness of trying to gain anything good from North Korea by trying not to irritate them. Only when we make relevant approaches based on consistent principles can we expect to achieve tangible relevant results in dealings with the North. In this sense, the previous team's policy toward the North, which did not have principle or a basic position, may serve as a lesson to the new foreign affairs-national security team.

Foreign and security policy cannot be implemented according to an ideology alone. Implementation of foreign policy is different from the act of creating a work of art as there can be opposition during implementation. Harmony should be achieved within the team. The team members should work harmoniously when dealing with foreign, military, and intelligence-related affairs. In other words, teamwork is important. Citizens will feel uneasy when there is confusion in the team. When foreign and security policy is implemented harmoniously, the might of such a policy will be demonstrated to the opponent.

Dailies React to 23 Dec Cabinet Reshuffle

SK2412064494

[FBIS Editorial Report] The following is a compilation of editorials from the 24 December ROK vernacular daily newspapers on the cabinet reshuffle conducted on 23 December.

The moderate HANGUK ILBO carries, on page 3, a 900-word editorial which characterizes the latest cabinet reshuffle as a comprehensive revamping of government structure and personnel. Pointing out that many experienced and competent figures were appointed to the new cabinet, the editorial expresses the hope that the new cabinet will display reform-minded originality and advises the members of the new cabinet to rectify the disheveled atmosphere that is prevalent in government ministries and agencies. The editorial exhorts the members of the new cabinet to achieve teamwork, and to "reject the egocentrism of government ministries and agencies."

The moderate KYONGHYANG SINMUN carries, on page 3, a 900-word editorial which describes the new cabinet as "globalization-oriented, and businesslike," and which advises the members of the new cabinet to put the finishing touches on administrative reforms and renovate the bureaucratic environment. The editorial suggests that the government apply business administration techniques in administration, and urges the members of the cabinet to work with "the resolve, determination, and thorough-going sense of mission to implement state affairs without a hitch" until the end of this administration's term.

The 900-word editorial on page 3 of the pro-government SEOUL SINMUN, says that citizens are now pinning trust and expectations on the new cabinet because of it is characterized by stability. Reviewing the heavy tasks which face the new cabinet, the editorial advises the new cabinet to urgently produce a small, efficient working government by achieving harmony in the government ministries and agencies, while urging the cabinet to carry through relevant tasks by taking meticulous care of "the trilateral relationship between reform, stabilization, and globalization." Stressing the need to urgently maximize the coordinating ability of government ministries and to push ahead with relevant tasks in a decisive way, the

editorial emphasizes that this is particularly so for the new national unification-security coordination team which "will have to open a breakthrough in the South-North relations."

The left-leaning HANGYORE SINMUN carries, on page 3, a 1,200-word editorial expressing disappointment over the appointment of the prime minister, deputy prime minister for national unification, director of the agency for national security planning, and chief presidential secretary in that "they do not appear capable of active reorganization and guidance" of the direction for reform. The editorial feels that the Kim Yong-sam administration has chosen to adopt "a stable conservatism" by joining hands with conservatives from previous regimes under the excuse of implementing globalization, and points to the lack of practical and professional experience in criticizing the appointment of the minister of trade and industry, and the minister of labor affairs. The editorial concludes by expressing "concern about future state affairs" since even the minimum expectations for a revitalization of the will for reforms have been frustrated.

Ruling, Opposition Party Spokesmen Comment

SK2412015494 Seoul THE KOREA HERALD in English 24 Dec 94 p 2

[FBIS Transcribed Text] The ruling Democratic Liberal Party (DLP) welcomed yesterday the reshuffle of cabinet ministers and presidential staff, while the main opposition Democratic Party (DP) responded coldly to the announcement.

Rep. Pak Pom-chin, a spokesman for the DLP, said, "We conclude that President Kim Yong-sam showed his will to set a new course (in the middle of his term) through the shake-up in which priority was put on the abilities of ministers."

In a statement, he said that the DLP expects the new cabinet to boost the globalization program initiated by President Kim.

Rep. Pak Chi-won, a spokesman for the DP, said, "The new cabinet does not match with the image of reform and globalization. We are worried whether the cabinet can cope efficiently with the numerous pending national affairs."

Alleging that President Kim had once again appointed old-school figures who had worked in former President No Tae-u's government and those involved in irregularities and corruption, he said in a statement, "The shake-up will be recorded in history as the worst example of failure."

Paper Assesses Kim Yong-sam's Cabinet Reshuffle

SK2412031494 Seoul THE KOREA HERALD in English 24 Dec 94 p 2

[FBIS Transcribed Text] For all the trumpeting of his call for a need to form a cabinet with a global outlook,

some critics raise questions about the motives behind the sweeping shakeup of top administration posts President Kim Yong-sam carried out yesterday.

Political analysts first point out that Kim must have felt the need to pull himself out of the political bruising he has taken this past year in the wake of the poor handling of the North Korean nuclear issue and a steady drumbeat of depressing news about corruption scandals and mass disasters.

Kim, whose foreign policy had been constantly hobbled by the nuclear problem since he took office 22 months ago, had to embrace what even his aides publicly said was an unsatisfactory conclusion—the U.S.-North Korea accord that fell short of clarifying Pyongyang's nuclear past, the President's "Maginot line."

The blunder in the foreign policy was compounded at home by a rash of mass disasters, including the collapse two months ago of the Songsu Bridge which killed 32 people, and a string of tax embezzlement scandals.

The tax scandals, in particular, inflicted serious damage on Kim's prestige because they were seen by many as a collapse of his top priority—an anti-corruption drive.

In the middle of this year, Kim saw his job approval rating plunge as low as around 30 percent from a peak of over 90 percent last year.

"These problems combined to raise strong public skepticism about the capability of the Kim administration, and he needed to put them behind and call for a fresh start setting out on the third year of his presidency," a political analyst said.

This observation was bolstered when President Kim unveiled an ambitious globalization vision last month and then ordered a radical organizational reform of the administrative branch of government earlier this month.

Both initiatives came at a time when the opposition was mounting its unprecedented challenge on the Kim administration over the prosecution's handling of the Dec. 12, 1979 military coup involving two former presidents.

The announcement Dec. 3 of the government reorganization program also was made one day after Kim's ruling Democratic Liberal Party (DLP) railroaded the national budget plan for fiscal 1995.

Although the government revamp plan was received favorably by many, critics said that Kim apparently sought to blanket out opposition backlashes against the unilateral passage of the budget program.

Kim seemed mindful of the relatively poor performance of his administration this year. "President Kim conducted this sweeping cabinet reshuffle to give the administration a fresh start," presidential spokesman Chu Ton-sik said.

Kim's critics also say that he again disavowed his own pledge that he would not make frequent changes of top administration posts. At the time of his inauguration, Kim said that he wanted his first cabinet ministers to work through the end of his five-year term.

In a luncheon meeting with Chongwadae correspondents as recently as Oct. 8, the President said that the term "a sweeping cabinet reshuffle" does not fit with South Korea's presidential system but should be applied in a country with parliamentary cabinet system like Japan.

Some political analysts said that Kim cannot but make one political appointment after another because he is indebted to a lot of people for taking the highest office in the country.

"Many a politician sacrificed himself during Kim's opposition days to send him to Chongwadae and he has a greater number of groups of supporters waiting for rewards for their services during the two presidential elections," said a political analyst.

Political science textbooks talk about the "spoils system," but Kim has often faced criticisms that he favors members of his camp although they lack experience in public service.

President's Office To Boost Policy Coordination

SK2412031694 Seoul YONHAP in English 0150 GMT
24 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—The organizational and personnel shakeup at Chongwadae [presidential offices], conducted Friday along with the broad cabinet reshuffle, is deemed a reflection of President Kim Yong-sam's determination to reach the national goal of globalization and strengthen the policy coordinating capability of the presidential office.

The revamp of Kim's secretarial office was not as sweeping as predicted earlier, but Kim has given strong signs of wishing to elevate the organization to the level of a stronger policy-maker and coordinator.

The core elements of the Chongwadae reshuffle are the creation of a senior secretary for the policy planning office and abolishment of the senior secretary for social, educational and cultural affairs.

This reorganization seems to signal President Kim's desire to realize a small but strong government by reinforcing its functions without any structural expansion.

It was undeniable that Chongwadae's functions had been inclined toward mere secretarial tasks rather than policy planning, and this had created confusion in policy coordination whenever a dispute arose among government ministries and agencies over major state affairs.

The newly established policy planning secretary will take exclusive charge of the nation's push for globalization as

well as assuming overall supervision of Seoul's future direction in preparation for the fast-approaching 21st century.

Another point worthy of note is the revival of the special presidential aide for political affairs.

Although claims have been made that the post was reinstated due to retiring Chief Secretary Pak Kwan-yong, the chief executive is likely to reinforce the new advisory function for major state issues. Pak has been a close confidant of President Kim for most of his political career.

The president's globalization scheme is well expressed in his new secretarial lineup.

As his career demonstrates, new chief secretary Han Sung-su is amply suited for the post as he possesses a strong sense of international politics, a future national goal based on diplomacy and politics hinging on globalization.

Holder of a Ph.D in economics, Han formerly served as lawmaker, commerce and industry minister and ambassador to the United Nations.

The senior secretary for the new policy planning office, Pak Se-il, is a fresh face at Chongwadae, but President Kim must have rated him highly for his career as law-economics professor at Seoul National University.

Although the president did not make wholesale changes in his secretariat, the limited reshuffle is certain to inject fresh vigor into its elevated functions.

Foreign Policy Team Assessed as Conservative

SK2412061894 Seoul YONHAP in English 0538 GMT 24 Dec 94

[Article by Yi Tong-min]

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—President Kim Yong-sam's new foreign policy team is characterized best by comparing it to its predecessor—the new helmsmen are conservative and technocrats to the bone.

Four members make up the team—Unification Minister Kim Tok, Foreign Minister Kong No-myong, National Security Planning Chief Kwon Yong-hae and Presidential Secretary for Foreign and National Security Affairs Yu Chong-ha.

Both Yu and Kong are career diplomats, Kim was originally a professor and Kwon was a soldier who climbed through the ranks to defense minister.

All four mates are conservative by nature, and their conservatism will be compounded further by the most basic instincts to do the opposite of their predecessors.

The outgoing foreign affairs team was criticized often for being soft, going easy on North Korea, listening too much to the United States.

President Kim's choices this time proved he doesn't like this kind of criticism, and the new team will apparently try to answer to this wish in formulating policies on inter-Korean and South Korea-U.S. relations.

If former Foreign Minister Han Sung-chu advocated dialogue, then the new members are adherents of rough talk, ready with the whip in case talk doesn't work.

Such tendencies forebode changes in the consultative process with the United States.

Ex-Foreign Minister Han, who studied and taught in the United States, was popular with American officials.

"They felt they didn't have to explain so much to him because they naturally understood each other," said Han's close aide.

But it will be a different story with the new policy-makers. They will go over each issue point by point, even if just for the record. Consequently, South Korea-U.S. consultations will require more patience on Washington's part.

The team's function will apparently change as well. The former members were novices in government administration, making them less attentive to bureaucratic red tape and less prone to the mannerisms of public officialdom.

This, however, worked against them. For instance, embarrassing situations arose from a clash of opinions between the foreign minister and the presidential secretary for foreign and security affairs.

President Kim apparently tried to prevent such in-house trouble by appointing seasoned diplomats to the two posts.

Whether this strategy will work is open to debate.

First of all, the four chosen officials are too familiar with the bureaucracy to attempt bold policies. They are more accustomed to carrying out the orders of their superiors than they are to generating and risking new ideas.

Times have changed dramatically in the regional and global political theaters, and some are questioning whether conservatism is the right choice of direction.

Reshuffle Features Rise of Conservatives

SK2412053894 Seoul YONHAP in English 0506 GMT 24 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP)—Friday's cabinet shakeup, the third major reshuffle since the launch of the Kim Yong-sam administration in February last year, features the rise of conservative forces and retreat of reformists within the ruling Democratic Liberal Party (DLP).

The reformist Minju faction lost three seats in the new cabinet lineup while gaining only one post. Home Minister Choe Hyong-u, Construction Minister Kim U-sok and First State Minister for Political Affairs So Chong-won were the three outgoing cabinet members belonging to the Minju faction, followers of President Kim when Kim was an opposition leader.

Senior DLP official So Sok-chae, one of a few key confidants of President Kim, is the only Minju figure to receive a post (government administration minister) in the new lineup.

The replacement of three Minju ministers and allocation of just one post to the faction carries deeper political implications than mere numbers as the three lost posts are the politically powerful home, construction and first state ministers and the newly allocated post of government administration minister has no political weight.

So had even been expected by the media to take an important post such as director of the Agency for National Security Planning (NSP), home minister, first state minister or chief presidential secretary in consideration of his relationship with President Kim.

On the contrary, the ruling party's largest faction, Minjong, which groups conservatives mainly from the defunct ruling Democratic Justice Party (DJP) under Presidents Chon Tu-hwan and No Tae-u, grabbed the posts of home minister and first state minister for political affairs.

Minjong's Kim Yong-tae was appointed home minister, Kim Yun-hwan first state minister and Kim Chung-ui environment minister with So Sang-mok staying on as health and welfare minister.

The three new cabinet members from the Minjong faction are all classified as part of a "new Minju faction" who moved to Kim Yong-sam's camp during campaigning for the presidential election in late 1992.

The appointment of Kim Yun-hwan as first state minister for political affairs is widely seen by political analysts as a shock, given the fact that Kim is considered the leader of the conservative Minjong faction and that the post of first state minister is important in linking the presidential office of Chongwadae and the DLP and the ruling and opposition parties.

The post has been filled by such key Minju faction leaders as So Chong-won and Kim Tok-yong under the Kim administration.

The rise of the Minjong faction and the fall of Minju, however, is considered a temporary phenomenon in a transition period toward full control of the government by the reformist Minju faction, probably by the end of the party convention next February or local elections next June, said the analysts who predict that current leader Kim Chong-pil will be replaced by then at the latest.

President Kim might also have taken into consideration the need to embrace differing factions within the party especially after the country suffered a series of tragic accidents over the past year, they said. Moreover, Kim acknowledged the experience and administrative abilities of conservatives from past regimes regardless of their work for authoritarian governments.

Kim has recently repeated his willingness to bring in people from past regimes whose capabilities have publicly tested and verified, a stance that might stem from the outgoing cabinet's inability to handle a series of major accidents.

New Cabinet Lineup Said Oriented to Business

SK2412014894 Seoul THE KOREA TIMES in English
24 Dec 94 p 2

[Report by Kim Song-pok]

[FBIS Transcribed Text] President Kim Yong-sam yesterday conducted his seventh Cabinet shake-up since taking office in February in 1993. But yesterday's reshuffle was as different as chalk and cheese from the previous ones in that he tapped as many experts rather than long-time proteges as possible for major posts.

This is evidenced by his appointment of persons with experience rather than political big shots to the so-called "big four" positions: the deputy premier and minister of the National Unification Board (NUB), deputy premier and minister of the Board of Finance & Economy (BFE), Chongwadae [presidential offices] chief of staff and director of the Agency for National Security Planning (NSP).

Tapped for the four powerful seats were, respectively, NSP Director Kim Tok; Deputy Premier-Economic Planning Minister Hong Chae-hyong; Ambassador to the United States Han Sung-su and former defense minister Kwon Yong-hae.

The only henchman given a Cabinet post was Rep. So Sok-chae who was picked as the government administration minister, in which position he will be responsible for the second round of the restructuring of the administration.

So has devoted the better part of his life for the struggle for democracy against former military governments at the side of Kim Yong-sam. He was jettisoned by Kim for his involvement in a vote-buying in an election in 1989 in which Kim was also allegedly involved.

His appointment to the Cabinet is a political reinstatement.

The new lineup's job is to pull out all stops for the pursuit of globalization, the improvement of inter-Korean relations and the preparation of the local autonomy elections slated for next June, which are the first and last goal of the administration as it prepares to enter the third year of its five-year term.

Taking into consideration the Chongwadae chief of staff's role as a moving spirit in the globalization, President Kim searched for a person with an international turn of mind and fluency in English.

Ambassador Han was the first choice, close aides to Kim said. A former minister of trade and industry, who had been a professor, Han made his name as an expert in international trade affairs.

The aim of the appointment of these "big four" with proven track records is to keep state policies consistent, Chongwadae officials said.

Persons handling foreign affairs such as the foreign minister and the senior presidential secretary for foreign affairs and national security were all replaced as they were seen unsupported by public opinion in their unorchestrated tackling of the North Korean nuclear issue.

Their replacement is also indicative of President Kim's dissatisfaction with the way the North Korean nuclear issue was settled in Geneva in October by the United States and North Korea.

The reshuffle is also notable in that President Kim appears more open-armed than ever before toward persons served in the former military administrations as long as they are competent. Such figures include new Science-Technology Minister Chong Kun-mo who also served in the same position in the No Tae-u administration.

A surprise in yesterday's shakeup was his appointment of Rep. Kim Yun-hwan as the 1st state minister for political affairs, a position linking Chongwadae, the Cabinet and the political parties.

Rep. Kim had served many important stints at Chongwadae, in administration and at the political parties, including being Chongwadae chief of staff for former president Chon Tu-hwan.

He was often said to be hopeful of becoming prime minister.

Yesterday's shakeup enlisted three new lawmakers from the ruling Democratic Liberal Party [DLP]: Kim Yong-tae as the home minister, Kim Chung-ui as the environment minister and Kim Yun-hwan.

They brought the number of DLP legislators in the Cabinet to four. Health and Welfare Minister So Sang-mok kept on.

Poll Shows Over 70% Approval for Reshuffle

SK2712085994 Seoul YONHAP in English 0843 GMT
27 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP)—Over 70 percent of South Koreans positively evaluate the massive cabinet reshuffle conducted last Friday and consider the new cabinet and presidential secretary lineups suitable for the nation's globalization program.

As to President Kim Yong-sam's performance, 64.4 percent said Kim is doing well while 35.5 percent thought the reverse, suggesting that public support for the chief executive is growing again.

These were the highlights of an opinion poll of 813 adults conducted through telephone interviews Monday by Korea Gallup at the request of the presidential office, Chongwadae.

Asked their view of the Dec. 23 cabinet reshuffle, 71.5 percent gave a favorable reply while 25.1 percent answered negatively.

In response to a question on whether the new cabinet and Chongwadae faces are suitable for the globalization scheme, 76.3 percent said "yes" and only 25.1 percent gave a negative evaluation.

Some 31.8 percent of the pollees cited price stabilization and economic growth as the top priority for the new cabinet in conducting state affairs. They also pointed to a crackdown on corruption and irregularities and continued reform policies (8.9 percent) and construction of a welfare society and elimination of the gap between the rich and poor (7.0 percent).

Queried on what President Kim did best in 1994, 31.8 percent cited the crackdown on corruption, followed by implementation of the real-name financial transaction system (13.5 percent), government reorganization and personnel reshuffle (4.5 percent), diplomatic activities (3.2 percent) and progress in democratization (3.0 percent).

On the other side of the coin, 13.7 percent of the respondents named soaring prices and economic unrest as unsatisfactory policies of the Kim administration in 1994. They also pointed out inadequate personnel management (9.2 percent), an unsatisfactory level of rooting out corruption and achieving reform (6.1 percent), and various accidents (5.9 percent).

However, 40.7 percent did not enumerate any detailed instances of Kim's poor administrative policies.

In particular, 82.8 percent expressed strong expectations for President Kim's management of state affairs next year by saying that he will do well in 1995.

As to the reduced size of the government, 77.3 percent of the pollees felt that it will improve public officials' service and revitalize the administrative atmosphere.

The National Assembly topped the list with 27.4 percent when asked what area of society most needs additional reform, followed by the educational sector (22.2 percent), the executive branch (18.4 percent), the bench and bar (9.8 percent) and the media (6.5 percent).

In connection with inter-Korean relations, 62.9 percent voiced optimism and said some progress would be recorded. But 37.1 percent replied with a pessimistic viewpoint.

The ruling Democratic Liberal Party garnered the most support, 34.1 percent of the pollees, as of December while the main opposition party was backed up by 28.8 percent. The minor new People's Party was supported by 5.1 percent and 29.7 percent of the respondents said they favored no party.

YONHAP Chronicles Cabinet Reshuffles Under Kim

SK2412045694 Seoul YONHAP in English 0300 GMT 24 Dec 94

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP)—President Kim Yong-sam's cabinet reshuffle Friday was the third major instance since Kim took office in February last year, following changes in December 1993 and April 1994.

Counting two supplementary shakeups in March 1993 and October 1994, the running tally stands at five cabinet reshuffles.

Surviving all those reshuffles are three—Deputy Premier and Finance-Economy Minister Hong Chae-hyong, Information Minister O In-hwan and Deputy Prime Minister-Unification Minister Kim Tok, who has just been the director of the Agency for National Security Planning.

In the cabinet before the latest shakeup were eight "founding" members—O, Foreign Minister Han Sung-chu, Culture-Sports Minister Yi Min-sop, Trade-Industry-Energy Minister Kim Chol-su, Communications Minister Yun Tong-yun, Science-Technology

Minister Kim Si-chung, Second State Minister for Political Affairs Kwon Yong-cha and Legislation Minister Hwang Kil-su.

Some members of Kim's first cabinet had to step down shortly after their appointment in February last year amidst the whirlwind of asset disclosures and college-entrance irregularities. In the confusion, Justice Minister Pak Hui-tae was replaced by Kim Tu-hui, Construction Minister Ho Chae-yong by Ko Pyong-u and Health-Social Affairs Minister Pak Yang-sil by Song Chong-suk.

The fresh cabinet, which was led by Prime Minister Hwang In-song, did not last long with 11 ministers being replaced in December in the aftermath of large-scale incidents and scams.

At the time, Ho Sin-haeng had to resign as Agriculture-Forestry-Fisheries minister due to controversy over rice market opening.

But Prime Minister Yi Hoe-chang's cabinet also pulled down the curtain with his resignation after just four months. Yi Yong-tok, then deputy premier-national unification minister, succeeded Yi Hoe-chang. Yi Hong-ku joined the cabinet as national unification minister while Agriculture-Forestry-Fisheries Minister Kim Yang-pae was replaced by Choe In-ki in connection with the issue of rice market opening.

Supplementary cabinet reshuffles were done when Deputy Premier-Economic Planning Minister Chong Chae-sok resigned because of ill health in October this year and Transportation Minister Yi Kye-ik stepped down taking responsibility over a ferry disaster in October last year.

Burma**PRC Prime Minister Li Peng on Official Visit****Li Peng Makes Arrival Statement**

*BK2612075294 Rangoon Radio Myanmar in English
0700 GMT 26 Dec 94*

[FBIS Transcribed Text] Prime Minister of the People's Republic of China Mr. Li Peng, at the invitation of Chairman of the State Law and Order Restoration Council [SLORC] Senior General Than Shwe, has arrived at Yangon [Rangoon] Airport at 1230 pm today for a goodwill visit to Myanmar [Burma].

A statement of the visit is being issued at the airport. It reads: I am very pleased to pay an official goodwill visit to the Union of Myanmar at the kind invitation of Sr. Gen. Than Shwe, prime minister, who is chairman of the SLORC. I would like to extend, on behalf of the Chinese Government and people, our high regards and good wishes to the government and people of Myanmar. China and Myanmar are close neighbors linked by mountains and rivers, and our two people have enjoyed a traditional paukpaw [sibling] friendship. Recent years have witnessed a steady growth of a friendly relations between China and Myanmar based on the five principles of peaceful coexistence and good cooperation between the two sides in the political, economic, cultural, and other spheres.

History over the past four decades and more proves that friendship between China and Myanmar is in keeping with the fundamental interests and the shared aspiration of our two people and is conducive to peace and stability of the region.

My current visit is aimed at fully strengthening the good neighborly and friendly ties between us and expanding our mutually beneficial cooperation. I will exchange views with leaders of Myanmar on bilateral relations and regional and international issues of common concern.

I believe that as the Myanmar side has made possible arrangements, my current visit will yield positive results and further facilitate the growth of the existing friendly relations between our two countries both in scope and depth. May the Union of Myanmar enjoy prosperity and its people well-being.

Than Shwe Receives Li Peng

*BK2612160294 Rangoon Radio Myanmar in Burmese
1330 GMT 26 Dec 94*

[FBIS Translated Excerpt] A goodwill delegation led by Mr. Li Peng, premier of the State Council of the People's Republic of China [PRC], arrived on a special airplane at the Yangon [Rangoon] International Airport [YIA] at 1230 today to pay a goodwill visit in Myanmar [Burma] at the invitation of Senior General Than Shwe, chairman

of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar.

Sr. Gen. Than Shwe, chairman of the SLORC and prime minister, and his wife Daw Kyaing Kyaing; General Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army, and his wife; Vice Admiral Maung Maung Khin, member of SLORC and deputy prime minister, and his wife; Lieutenant General Tin Tun, member of SLORC and deputy prime minister, and his wife; Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, and his wife; Lt. Gen. Tin U, secretary-2 of the SLORC, and his wife; Lt. Gen. Myo Nyunt, member of the SLORC, chairman of the Yangon Division Law and Order Restoration Council, and minister of religious affairs, and his wife; U Ohn Gyaw, minister of foreign affairs, and his wife; U Set, Myanmar ambassador to the PRC, and his wife; Thura U Aung Htet, director general of the Protocol Department of the Ministry of Foreign Affairs; Colonel Thein Kyi, Myanmar military attache in the PRC, and his wife; Mrs. Chen Baoliu, Chinese ambassador to the Union of Myanmar; Dr. (Baron) Walther von Marschall, head of the diplomatic corps in the Union of Myanmar and ambassador of the Federal Republic of Germany, and his wife; senior diplomats and their wives from embassies; and members of the PRC Embassy welcomed the premier of the State Council, Mr. Li Peng, his wife Madame Zhu Lin, and the goodwill delegates at the YIA. [passage omitted on welcoming ceremony]

Next, the visiting premier, his wife, and the delegates—accompanied by Sr. Gen. Than Shwe and his wife—departed by car for the Seinlet Kantha state guest house. [passage omitted on people welcoming the delegation along the route] They arrived at the Seinlet Kantha state guest house at 1300. Sr. Gen. Than Shwe and his wife left the Seinlet Kantha state guest house at 1320 after bidding the guests farewell.

The premier of the PRC State Council was accompanied by 58 delegates members, including his wife Madame Zhu Lin, State Councillor Li Guixian, Minister of Communications Huang Zhendong, Governor of Yunnan Province He Zhiqiang, Vice Foreign Minister Tang Jiaxuan, Vice Minister of Foreign Trade and Economic Cooperation Shi Guangshen, Mr. (Wan Qiyin), board chairman of the China Bank; and Mr. (Li Guanyin), vice minister and deputy director of the State Council's Foreign Affairs Office. A press release was issued upon their arrival. [passage omitted]

Khin Nyunt Pays 'Courtesy Call'

*BK2612160594 Rangoon Radio Myanmar in Burmese
1330 GMT 26 Dec 94*

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, and his wife Dr. Daw Khin Win Shwe paid a courtesy call on Mr. Li Peng, premier of the PRC State

Council, and his wife Madame Zhu Lin—who are currently on a goodwill visit in the Union of Myanmar [Burma]—at the Seinlet Kantha guest house at 1800 today.

Than Shwe Delivers Banquet Speech

BK2712040394 Rangoon TV Myanmar Network in Burmese 1330 GMT 26 Dec 94

["Text" of speech by Senior General Than Shwe, chairman of the State Law and Order Restoration Council and prime minister of Burma, at the banquet held in honor of PRC Premier Li Peng in the Reception Hall of the People's Assembly Building in Rangoon on 26 December—read by announcer]

[FBIS Translated Text] Your Excellency Premier Li Peng, Madame Zhu Lin, members of the PRC delegation, and friends: It is with a sincere sense of appreciation and in the full spirit of paukphaw [familial relations] that I wish to welcome Your Excellency Premier Li Peng and Madame Zhu Lin to share with us this evening the moment of enriching paukphaw tradition. Leaders of Myanmar [Burma] also join me in welcoming the distinguished members of the PRC delegation. The visit of your excellency, which further contributes to our lasting bilateral friendship, is of special significance and constitutes a firm step toward our mutual endeavors for bilateral cooperation in the coming years. We feel that your visit to Myanmar is indeed a link in the past, present, and the future of friendly relations between the Union of Myanmar and the People's Republic of China.

In the new era of the two countries, the leaders of the new generation are to accept the duty conferred upon them by history in inheriting the experience of the farsighted leaders of the past generation, who nurtured mutual goodwill to strengthen paukphaw friendship for continued progress.

Excellencies: During the past 45 years, when friendship and cooperation between Myanmar and China took shape and gained momentum, we have jointly been able to formulate the Five Principles of Peaceful Coexistence to guide the relations among our nations while ensuring stable relations in the region. Currently, these five major principles constitute the basic principles of international relations and serve as a model in conduct of international relations.

These principles were first initiated by the late PRC Premier Zhou Enlai in July 1954 and were implemented jointly by the prime ministers of Myanmar and India. Over time, these principles have strengthened peace. These principles form the basis of international relations in China. Likewise, these principles serve as guidelines of foreign policy in Myanmar.

Excellencies: We in Burma widely believe that the exchange of visits among leaders of friendly nations promotes cooperation in economic and social affairs and promotes mutual understanding. In accordance with this

conviction, we wish to inform you during your visit of our endeavors for national development and discuss matters relating to mutual cooperation between Myanmar and China.

In the past six years, we have been able to initially establish law and order, and subsequently, social and economic factors have developed speedily and firmly, thus contributing to political stability, which in turn paves the way to establishing national reconciliation. For the first time since independence, we are able to work toward our cause of national unity and economic progress with our own resources and conviction. Harmony between economic strategy and the political process ensures that people of the Union of Myanmar have a better quality of life and political integrity.

Our commitment to further enhance the agriculture factor has yielded substantive results and strengthens its capacity to promote a diversified economic program. Work in the border areas and the national races development program is being implemented successfully, and we hope to soon be able to work for the national reconciliation process and build an environment for more secure implementation of long-term economic and political objectives of the Union of Myanmar.

Excellencies: Your current visit also reminds me of the visits in the past decade by the distinguished national leaders of China, from which Myanmar has benefited through the continuing economic cooperation, promotion of mutual understanding, social and cultural programs, and assistance in infrastructure programs. This visit will have an impact on strengthening our bilateral relations. It is therefore my conviction that we will be able to promote stronger and more active cooperation in the years ahead. Before I conclude, I want to state for the record how much the people of the Union highly appreciate the kind consideration of the Government of the People's Republic of China in making arrangements to bring the sacred tooth of Lord Buddha to Myanmar in April 1994 for 45 days for worshipping by the Myanmar people.

May I now invite you to join me in a toast:

To the lasting paukphaw relations between the peoples of the Union of Myanmar and the People's Republic of China;

To the health and well-being of president of the PRC, His Excellency Jiang Zemin;

To the health and well-being of Premier Li Peng and Madame Zhu Lin;

And to the health and well-being of all the distinguished guests and friends present here tonight.

Rangoon TV Reports Li Peng Speech

BK2712060694 Rangoon TV Myanmar Network in Burmese 1330 GMT 26 Dec 94

[Speech by PRC Premier Li Peng at banquet in his honor in the Reception Hall at the People's Assembly Building in Rangoon on 26 December—read by announcer]

[FBIS Translated Text] Your Excellency Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar, and Madame Than Shwe, dear friends: I have come with great pleasure to our friendly neighbor, Myanmar [Burma], on an official visit at the kind invitation of His Excellency Than Shwe, chairman of the SLORC and prime minister of Myanmar. From the moment we set foot on your land, we have been accorded a warm welcome and grand reception by the Myanmar Government and people and have been overwhelmed by your friendship and sea of flowers. This evening, Your Excellency Sr. Gen. Than Shwe and Madame Than Shwe are hosting this grand welcoming dinner for us, and we are sincerely touched by the traditional paukphaw [familial] relations of the Myanmar people with the Chinese people. I would like to take this opportunity to express our sincere thanks to our hosts and convey to you the cordial greetings and best wishes from the Chinese people to the people of Myanmar.

China and Myanmar are linked by mountains and rivers, and our two peoples have had friendly relations since ancient times. In the 44 years since the establishment of diplomatic relations between our countries, we have all along maintained normal good-neighborly and friendly relations despite the changes in the international situation. His Excellency U Ne Win of your country visited China 12 times, and our late premier Zhou Enlai visited your country nine times. This tradition of frequently exchanging visits by leaders of our two countries has constituted a well-known chapter in the history of our bilateral relations. It is these close contacts among kith and kin that have served to constantly build up the understanding and friendship between the two countries and lay the solid foundation for extended cooperation between the two sides in all fields.

In recent years, the good-neighborly friendship and mutually beneficial cooperation between China and Myanmar have increased and promoted personal exchanges and stronger economic and trade ties. Our two peoples have sympathized with and supported each other in our struggle to safeguard state sovereignty and national dignity to develop regional economic cooperation. Looking back, we are most pleased with the development of our friendship and cherish it all the more.

The Chinese Government and people would like to work together with the government and people of Myanmar to continuously advance the good neighborly relations and friendly cooperation between China and Myanmar.

Your Excellency Sr. Gen. Than Shwe and friends: Myanmar is a beautiful and richly endowed country. Its diligent, practical, and talented people have created a colorful national culture through use of strenuous efforts and further contribute to the treasure trove of oriental civilization.

We are glad to see your that your economy has grown constantly in the past few years with improvement in

agriculture, record high rice production, and people's living standard. Your government has also made laudable efforts in maintaining social stability, promoting national reconciliation, and making contact with the outside world. We sincerely wish your government and people more successes in your path ahead.

China has undergone tremendous changes in the 16 years since it began to reform and open up. Now we are enjoying sustained, rapid, and healthy economic development, marked improvement in people's living standard, political stability, social progress, and national unity. This year, we have adopted a number of major reform measures which have been implemented fairly smoothly with a view to establishing a socialist market economic structure. Our goal is to enable our people to live a comfortably well-off life by the end of the century and bring China up to the level of a medium-developed country by middle of the next century. Although there are difficulties and problems along the path, we have full confidence in our ability to overcome these difficulties, and we will push forward our cause of reforms, open-door policy, and socialist modernization.

Your Excellency Sr. Gen. Than Shwe and friends: This year marks the 40th anniversary of the Five Principles of Peaceful Coexistence. Both China and Myanmar are initiators of those great principles. The history over the past half century also has shown that the Five Principles of Peaceful Coexistence have become the most dynamic and time-tested norms governing international relations. The world today is still in transition from an old pattern to a new one. The trend is toward multipolarity, and the international situation is complicated with more changes taking place. Hegemonism and power politics are still in existence. The world economic development remains marked by inequity, while the gap between the North and South is ever growing. Peace and development remain the two major tasks facing the world. China stands ready to join hands with the other Asian countries, including Myanmar, in holding high the banner of the Five Principles of Peaceful Coexistence and work together to establish a fair and equitable new international political and economic order and bring a more peaceful, stable, prosperous, and developed Asia into the 21st century.

Now I propose a toast:

To continued development of the traditional friendship between the peoples of China and Myanmar;

To continued strengthening of the good-neighborly, friendly relations and cooperation between China and Myanmar;

To the prosperity of the Union of Myanmar and the well-being of its people;

To the health of Your Excellency Sr. Gen. Than Shwe, chairman of the SLORC and prime minister of the Union of Myanmar and the health of Madame Than Shwe; and

To the health of all the friends present here.

Cambodia

Missing German Believed Kidnapped by Khmer Rouge

BK2412141994 Hong Kong AFP in English 0906 GMT 24 Dec 94

[FBIS Transcribed Excerpt] Phnom Penh, Dec 24 (AFP)—Cambodia's foreign minister Saturday ordered an investigation into the disappearance of a German tourist believed abducted by the Khmer Rouge in Thailand near the Cambodian border two weeks ago.

Foreign Minister "Ing Huot is taking this matter seriously and has asked the ministries of interior and defence to investigate," a foreign ministry statement said, in reference to the disappearance of Matthias Wolf, 32.

"This German citizen disappeared in Banteay Meanchey or Battambang provinces where we have no international crossing points," it said, referring to Cambodia's northwestern provinces bordering Thailand.

The statement made no mention of Khmer Rouge involvement in the disappearance of Wolf, who was last seen on December 8 by Thai border forces.

"Perhaps he crossed into the Khmer Rouge area but at this stage there is nothing to suggest he is held by them," a senior Cambodian official told AFP Saturday.

Informed sources in Bangkok said Wolf was in the hands of the Khmer Rouge, citing reports received by German authorities in the Thai capital that Wolf had been captured by the guerrillas after crossing into Cambodia.

But the source added that the German authorities could not confirm that Wolf was alive, and that there were concerns for his safety.

On Friday, a Thai border officer said Wolf was last seen December 8 at the Thai village of Ban Laem near the Cambodian frontier in Chantaburi province. He said it was "more than likely" the German had been captured by the Khmer Rouge.

The German embassy confirmed the disappearance. A spokesman said "there are different reports, but also one according to which he is still alive and kept on Cambodian territory."

The Cambodian side of the border is almost completely controlled by the Khmer Rouge. [passage omitted on prior kidnappings of Westerners by Khmer Rouge]

Ranariddh Reaffirms Nationwide Logging Ban

BK2512140294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 25 Dec 94

[FBIS Translated Text] On 23 December at his residence, Prince Krompreah Norodom Ranariddh reaffirmed that in 1995, the Royal Government of Cambodia [RGC] will order the ban on logging throughout

the country and those violating the order will be prosecuted according to the law. The prince pointed out that the revenue from the present logging and the sale at international prices of the logs seized from offenders by the state is insignificant.

It is worth noting that Cambodia has been facing a serious problem of forest destruction and that the RGC has tried to gradually end this problem with the creation of the Commission to Investigate and Examine the Problem of Unprocessed and Processed Timber, cochaired by Tav Senghuo and Nhim Vanda.

Dr. Mok Maret, minister of environmental management, said at a news conference on 20 December that the Khmer Rouge has felled logs and sold them to merchants and irresponsible army personnel. The ministry has assessed that Cambodia's forests, which covered 70 percent of the country in the 1960's, have now been reduced to only 40 percent.

First Prime Minister Prince Krompreah Norodom Ranariddh did not elaborate on any concrete measures to be taken to enforce the ban.

Sar Kheng on Effective Date for Outlawing KR

BK2512090594 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 25 Dec 94

[FBIS Translated Text] His Excellency [H.E.] Sar Kheng, deputy prime minister and co-minister of interior, has said that the outlawing of the Khmer Rouge [KR] will come into effect from 12 January 1995. He stated this at a ceremony to merge the police forces at the Land Border Department [neayeakthan prumden kouk] at a holding center in Kien Svay District in Kandal Province on the afternoon of 23 December.

H.E. Sar Kheng underlined that the merger of the two political parties' police forces is being done in line with the national reconciliation policy advocated by His Majesty King Norodom Sihanouk Varaman. The National Security Ministry, he added, has already organized the leadership of its civilian structure to ensure the country's security; the ministry is currently organizing its low-level structure.

The deputy prime minister pointed out that the important duty of the Land Border Department's police forces is to defend their territorial integrity. He also told the police that undergoing training is one of their major duties to improve their capability for future concrete operations. All the police personnel should therefore constantly seek to improve their procedures, despite having received training prior to the merger.

Khmer Rouge 'Cabinet' Criticizes Government

BK2712023194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 26 Dec 94

["Press Communique" issued by the Secretariat of the Provisional Government of National Union and National Salvation Cabinet on 26 December; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUN], held its weekly working session on Monday, 26 December, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

I. After exchanging views on and discussing every aspect of the reports presented by all the ministries, the cabinet clearly observed that in their overall situation, the two-headed traitors are making a headlong plunge toward greater depths in all fields and sectors.

Concerning national problems, they have already been condemned and sentenced by our entire Cambodian nation and people as a gang of traitors and nation-sellers for kowtowing to communist Vietnam and serving as its stooges; for allowing communist Vietnam to pour 4 million Vietnamese nationals into Cambodia to wolf down and swallow up Cambodia and to slice off this country's territory by the tens of thousands of square kilometers; and for permitting the U.S.-Australian-French warmongers to sabotage the Cambodian people's sovereignty and right to self-determination in a most ruthless and savage manner.

Social problems have become acute and have affected every layer of society. Corrupt practices, graft, and embezzlement have spread from top to bottom. Robberies, anarchy, insecurity, and illegal checkpoints have been reported everywhere in the countryside and in Phnom Penh, at night and in broad daylight. The people are living in a state of constant terror. The problem of unemployment among the students, the problem of months or even years of late paychecks or no pay at all among the civil servants, the problem of people having no land to live on, the problem of myriad abusive and oppressive taxes imposed on the people by the two-headed government, the problem of inflationary prices, the problem of the depreciating riel currency, and so many other problems have become more and more serious, because none of them has ever been addressed or solved. Moreover, there are all kinds of social diseases, and the AIDS epidemic is full-blown. Meanwhile, communist Vietnam's devastating war of aggression and genocide against Cambodia continues.

Because they have suffered repeated defeats on every battlefield, the enemies have become irritated and confused. They are tearing at each other's throats and are refusing to listen to one another either politically or militarily, from top to bottom. The situation of the two-headed traitors can be explained as follows: It is because all their nerves have been bleeding and rotting.

As a consequence of this cursed situation that has resulted both from communist Vietnam's war of aggression and the presence of the 4 million ethnic Vietnamese, millions of Cambodians in Phnom Penh and in the countryside are facing death from starvation. This problem has been worsened by the already desperate

all-around situation of the two-headed traitors who are unable to solve anything. The communist Vietnamese enemies cannot solve the nation's problems nor can the U.S.-Australian-French warmongers. If they insist on continuing the war, in the future the two-headed traitors will not escape from being buried by the people in the grave for traitors.

II. There is only one solution: peace, the end of the war with national reconciliation and national concord. Only in this way can the Cambodian nation, people, and race be saved; can regional security and stability be protected; and can countries and people, near and far, establish normal contacts with one another, without fear of anything. Only in this way can we respond to the profound aspiration of the entire Cambodian nation and people and also to the trend of mankind.

Our entire Cambodian nation and people who have been repeatedly victimized during the past 16 years want very much to see and to have the national forces of all political tendencies unite, reconcile, and form a truly national government that really cares for the interests of the nation and people, functions both politically and economically within the framework of liberal democracy, and establishes good relations with all countries and people throughout the world.

Monday, 26 December 1994
Secretariat of the PGNUNS cabinet

Indonesia

Further Reportage on Human Rights Issue

'Communication' Stressed

BK2312132594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 23 Dec 94

[FBIS Translated Text] Bambang Suharto, a member of the National Human Rights Commission, said in Dili that intensive communication among the various parties in East Timor was important for the improvement and implementation of human rights in East Timor. He said there was a need for more intensive communication.

Antonio Freitas Parada, speaker of the East Timor provincial House of Representatives, said the implementation of human rights in Indonesia's youngest province has improved. All cases and issues related to the violation of laws have been solved proportionally, with the police playing an outstanding role.

Official Expresses Hope on Progress

BK2512114794 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 25 Dec 94

[FBIS Translated Text] Speaking in Semarang yesterday, Muladi, a member of the National Human Rights Commission expressed his hope that in 1995, Indonesia will be able to achieve more progress on human rights issues

through the ratification of basic international human rights doctrines. The National Human Rights Commission has set a target of at least three international conventions that accord a higher priority to human rights for ratification within a year.

According to Muladi, in 1994 the National Human Rights Commission's progress was considered to be monumental. A special commission was established to deal solely with human rights issues.

Demand for Rights Expected

BK2712084794 Jakarta THE JAKARTA POST in English 27 Dec 94 p 1

[FBIS Transcribed Text] Semarang, Central Java (JP)—Noted expert on law Muladi warned that the demand for better observance of human rights in Indonesia will intensify in the coming years and stressed that the nation should be prepared to deal with this situation.

Muladi, the rector of Diponegoro University, who is also a member of the National Commission on Human Rights, said the people in Indonesia will likely be pressing more for individual and collective rights that are rightfully theirs.

"Indonesia, specially its various institutions, must be prepared to deal with these rising demands and to pay greater attention to the human rights situation in the country," he told THE JAKARTA POST.

He said pressure will also come from outside Indonesia, with many countries now incorporating human rights into their foreign policies and linking this particularly with their foreign aid programs.

He said the United States Embassy in Jakarta each year draws up a country report on Indonesia's human rights situation as required by the American legislature.

The embassy will particularly be looking for any evidence of gross violations of human rights that include political and extrajudicial killings, disappearances, torture and cruel and inhumane treatment, arbitrary arrests, detention, violations of the freedom of speech and press [and] the freedom of assembly, and various other discriminatory practices, he said.

Muladi, a lawyer by training, who is well known for often speaking his mind on various controversial issues, said Indonesia must acknowledge that the human rights condition in the country is far from satisfactory.

He said the National Commission on Human Rights was established in 1993 precisely to deal with the various problems encountered in handling human rights in Indonesia.

The commission's task, besides looking into reports of cases of violations of human rights, is also to expand the people's horizon on the subject.

The commission also looks into various United Nations conventions on human rights and gives its recommendations on which one Indonesia should accede to and which ones should avoid.

After one year on the commission, Muladi said he felt the Indonesian institutions are still inadequate in dealing with human rights problems.

Political Groups Resist Intervention

BK2612083494 Jakarta THE JAKARTA POST in English 26 Dec 94 p 1

[FBIS Transcribed Text] Jakarta (JP)—When [Information Minister] Harmoko said recently that Golkar [Functional Group, the ruling party] and ABRI (the armed forces) would unite to fight any attempt to destroy national unity, he wasn't just delivering one of his usual high-spirited speeches.

By mentioning Golkar in the same breath as ABRI, the chairman of the ruling political grouping hinted at the close relationship the party has with the military.

He also inadvertently allowed a glimpse of the domestic political landscape in the past year: a picture of an arena which has revolved around Golkar, its dependence on the bureaucracy and the military, and its campaign to retain its dominant position over the two other political organizations.

Early January, only months after he was elected chairman, Harmoko announced his intention to retain Golkar's "single majority" status. Shortly afterward, he toured the country extensively to launch a pervasive campaign, which smacked of electioneering.

He rejected accusations that his meeting thousands of supporters looked a lot like a campaign for the 1997 election. "Golkar will retain its status because the people want it that way," he asserted.

A clue about how Golkar maintains its dominant position came from former vice president Sudharmono. He said early this year that "a Golkar victory in the next general election should not depend on the condition of other political contestants ... its achievements would depend on its popularity within the next four years (until 1997 election)."

Other weaknesses are our strength," he explained. This explains Harmoko's extensive trips as leader of Golkar instead of as minister of information.

This intention, along with what some political observers call a system which greatly favors Golkar, shaped Indonesian political development in the past year.

The government's desire to maintain the status quo is the reason behind the growing public impression that the government has been tightening its grip over political and mass organizations.

The result was that the minority parties had to spend the better part of this year fighting government intervention in their internal problems. The government of course backed Golkar's single majority campaign.

Indonesian Democratic Party Chairperson Megawati Sukarnoputri protested this imbalance early this year. She said the concept of "single majority" was not in line with the 1945 Constitution or the Guidelines of State Policy decreed by the People's Consultative Assembly last year.

The fact that the minority parties are plagued with internal squabbles only makes the situation worse. The bickering contributes to their inability to stand up to Golkar.

Indonesia has three sanctioned political organizations—the government-backed Golkar, the Moslem-oriented United Development Party (PPP), and the nationalist-Christian alliance Indonesian Democratic Party (PDI).

Golkar likes to be called a "functional grouping" although it functions like a political party. It has won an absolute majority in all the general elections since 1971.

Several major political agenda items showcased the government's and Golkar's resolution to maintain the status quo.

These included the PPP's and the Moslem organization Nahdlatul Ulama's [Association of Muslim Scholars'] (NU's) congress as well as problems that kept PDI too occupied to consolidate.

Megawati, the eldest daughter of late president Sukarno, was elected as chairperson of PDI late last year. It was the third congress in Jakarta that saw an absence of government intervention.

This was in contrast to two earlier congresses that were marked by strong attempts by the government to influence the choice of leader.

However, the party was rocked by growing internal rifts for several months after the election. They came to a head with recent demands that Megawati resign.

Ardent critic of Megawati and self-styled chapter leader Latif Pujosakti was one of the major problems. He was installed by Megawati's opponents as chairman of PDI's East Java chapter in an unauthorized ceremony in November. She had appointed Sucipto.

The crisis heightened when local authorities threw their support behind Latif and refused to recognize Sucipto. When the crisis got out of hand, however, the government backtracked and said it supported neither Sucipto nor Latif.

It was the government's ambiguous treatment that, as some observers charged, drew the conflict out. Speculation that the discord was actually kept alive to keep PDI from eclipsing Golkar certainly didn't help the situation.

When the protests against her became too strong this month, Megawati recovered in the nick of time. She convened a limited national meeting in mid-December. The result was a declaration of support for her leadership.

Signs of government intervention appeared once again prior to and during the PPP Congress in August. Already, present internal conflicts aggravated the situation. Bickering and power struggles occurred among the leading members of the two dominant factions—Nahdlatul Ulama (NU) and Muslim Indonesia (MI) of the party.

Incumbent Ismail Hasan Metareum, who reportedly enjoyed government backing and has close ties with the military, fought tooth and nail against NU ulemas who tried to grab the chairmanship from him.

Despite the government's promise to stay out of the PPP election, congress participants, especially from the NU Faction, felt that their effort to get Matori Abdul Jalil elected was blocked by external forces.

Quarrels continued even after the congress reelected Ismail Hasan. This was seen by political observers as proof that the PPP is also being kept in the check. The government does not want it to grow strong enough to threaten the establishment but does not want it so weak that it upsets the present order of things.

The final major item in the 1994 political agenda was the NU leadership congress this month. This, too, was not entirely free from government intervention.

Months prior to the congress, incumbent chairman of its executive board (tanfidzyah) Abdurrahman Wahid promised he wouldn't seek another term.

Abdurrahman, who is a staunch critic of the government, later decided to enter the race to protect the largest Moslem organization from being turned into potential power base by politicking NU leaders.

The five-day congress was a lesson in political maneuvering and the members' resistance to external pressures and meddling.

In spite of speculation that the government was not pleased with him as well as reports about government officials pressuring participants not to elect him, Abdurrahman refused to back down from his chairmanship bid.

He battled intimidation and slander before beating his competitor businessman Abu Hasan by a slim margin in tense and chaotic elections. Hasan was reportedly backed by the government.

Former home affairs minister Rudini described the extent of the power struggle between the government and the political and mass organizations when he recently said that "the government's meddling in political organizations is even more transparent today."

He noted that the political system, which greatly favors Golkar over PDI and PPP, is not likely to bring about independent parties.

"We know that the government, which has become the political superstructure, is now much stronger than the parties that make up the political infrastructure," he said.

Interestingly, the armed forces kept its distance during all these power plays. Apart from some comments by top brass about the PPP and NU congresses, the armed forces looked like they were taking a back seat.

It is not clear, however, if this was done because ABRI wants to gradually lessen its role in government, as some have demanded, or for other reasons. How ABRI will deal with the growing demand that it also gradually lessen the support it lends to Golkar still remains to be seen.

Laos

Russian Duma Delegation's Visit Reported

Meets Assembly President

BK2412120394 Vientiane KPL in English 0900 GMT 24 Dec 94

[FBIS Transcribed Text] Vientiane, December 23 (KPL)—Yesterday morning, Mr. Saman Vi-gnaket, president of the National Assembly, received at his office Mr. A. Vengerovskiy, vice-president of the Russian Parliament, and his delegation during their cordial official visit to Laos between December 21-24.

The Lao National Assembly president expressed pleasure for the visit to Laos by the high-level delegation of the Russian Federation's Parliament.

The talks involved matters pertaining to the expansion of the relations of friendship, the strengthening of mutual trust and cooperation in various fields and the mutual benefit of the two legislative bodies and the two peoples. The Lao National Assembly president wished the Russian delegation success in their Laos visit.

Then the Russian delegation held talks with a delegation of the Lao National Assembly led by its vice-president, Mr. Vongphet Saikeu-yachongtoua. The two delegations briefed each other on the political, economic, cultural, and social situation and foreign affairs and foreign investment in their countries.

At present, there are five Russian investment projects in Laos. They are long-term contracts for the export of Russian goods to Laos which started from the former Soviet period, in particular the strategy of human resources development.

In the future, the two legislative bodies will step up the cooperation in exchanging lessons and will actively contribute to the causes of peace, national independence,

democracy, and social progress. The two sides are convinced that the cooperation on the basis of equality and mutual benefit would be widely developed.

On the same morning, the Russian delegation laid a wreath at the Monument of Unknown Soldiers. The visiting delegation was accompanied by Dr. Khamlieng Phonsena, chief of the Foreign Affairs Commission of the National Assembly.

Received by Vice Premier

BK2412121294 Vientiane KPL in English 0910 GMT 24 Dec 94

[FBIS Transcribed Text] Vientiane, December 24 (KPL)—The Laos visit by the delegation of the Russian State Duma (lower house of the Parliament) marked the growth in the friendly relations between the parliaments of Laos and Russia as well as between the Lao and Russian people.

Mr. Khamphoui Keoboulapha, vice prime minister and president of the Committee For Planning and Cooperation (CPC), emphasized this during his meeting with A. Vengerovskiy, vice president of the Russian Parliament, at the CPC office yesterday afternoon.

The Russian vice president of the State Duma hailed the success of the Lao Government in the national construction and said that he is convinced that it would be successful. He expressed his wish to expand the relations between the two parliaments as well as between the two nations in political, economic, trade, social and cultural fields on the basis of mutual benefit.

The visiting Russian delegation called on Mr Somsavat Lengsavat, Lao foreign minister, visited Ho Pha Keo Museum, That Luang—the great stupa, the intermediate-level polytechnique school, and other important places.

The Russian delegation is here on an official visit to Laos between December 21-24 at the invitation of the Lao National Assembly.

Delegation Ends Visit

BK2612140394 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Dec 94

[FBIS Translated Text] After paying a four-day official friendship visit to the Lao People's Democratic Republic [LPDR] at the invitation of the National Assembly, the high-level parliament delegation of the Russian Federation led by His Excellency [H.E.] Aleksandr Dmitriyevich Vengerovskiy, vice chairman of the Duma of the Russian Federation, left Vientiane for home on the afternoon of 24 December. An official ceremony to bid farewell to the Russian parliament delegation was held at Wattai Airport. Seeing off the Russian delegation at the ceremony were H.E. Vongphet Saikeu-yachongtoua, vice chairman of the National Assembly of the LPDR, and H.E. Vladimir Fedorov, ambassador

extraordinary and plenipotentiary of the Russian Federation to the LPDR, along with members of the third National Assembly and many high-ranking cadres concerned.

*** Column Reacts to Thai Press Criticism**

95SE0024A Vientiane PASASON in Lao 14 Oct 94 p 3

["Talk" Column by Hat Phannong: "Obstacles in Lao-Foreign Cooperation Are Being Overcome"]

[FBIS Translated Excerpt] [Passage omitted] In Thailand there are still a number of people who are opposed to the progress which is blooming in this new era. This was demonstrated very clearly in the Thai weekly magazine "ATHIT" of 2 to 8 October 1994 which printed an article by someone using the pen name: "Mi Desateso". The headline of the article was: "The Two Banks of the Mekong Still Have a Curtain Between Them...." In the article the author falsely claimed that the policies of the government of the LPDR resulted in Lao young people having difficulty finding work thus causing them to leave to earn money in other countries such as Thailand and Vietnam. If this were not enough he also falsely accused Lao officials in various provinces which shared borders with Thailand, saying that: "they ordered all officials to keep track of any Thai investment in Laos no matter that they went into any business to check it, and if there was anything suspicious, they detained the person and seized the area...." If one just read this article by the author with the pen name, Mi Desateso, superficially, one might say that it was just an ordinary article because in Thailand the mass media have unlimited freedom. They can insult anybody. That is up to the Thai media and reporters. Some who write in Thailand like to insult and scold everyone. But everyone knows well what Thai correspondents and the Thai media cannot touch. If they attack the government of another country, that is going too far. In addition it breaks relationships and makes Thai investors afraid to run enterprises in Laos. It goes too far in that it not only distorts the truth by using a small incident to make everything look bad, but it also creates a blemish on Lao-Thai cooperation which is blooming now. If the author should continue this undesirable behavior, it will not only hurt the reputation of the Thai magazine, ATHIT, but it will also cause it to be appropriately punished by the Thai people and the officials affected.

The cooperation between the LPDR and other countries which is expanding quickly now, especially with Thailand, will not be obstructed by any obstacle. The Lao people and the Thai people continue to strengthen their solidarity and cooperation in various areas with the goal of overcoming every obstacle to the happiness and prosperity of each country.

*** Mountain Area Unit Transfers to PM Office**

95SE0024B Vientiane KONGTHAP PASASON LAO in Lao 2 Nov 94 p 1

[FBIS Translated Text] In the evening of 31 October at the Ministry of Defense there was a ceremony for the

signing of the agreement transferring the Ministry of Defense enterprise at kilometer marker 20 in Khamkeut District, including a number of personnel, vehicles and equipment, to the Office of the Prime Minister [PM]. The person who signed for the Ministry of Defense was Lt. Gen. Ai Soulinaseng, the Deputy Minister of Defense. Mr Bouason Bouphavan, a deputy minister and deputy head of the Office of the Prime Minister, represented the Office of the Prime Minister. This was done in the presence of a number of high-level cadres from involved departments and offices.

As we already know, [the enterprise at] kilometer marker 20 in Khamkeut District of Bolikhamxai Province was affiliated with the Ministry of Defense which had assigned the Mountain Area Development Corporation to clear the land and build it up since 1984. This included completing the basic structure of an enterprise to benefit the public and serve the operations of a number of businesses. This was transferred to the Office of the Prime Minister to administer and to continue to improve.

*** Agro-Forestry Unit's Military, Political Role**

95SE0024C Vientiane KONGTHAP PASASON LAO in Lao 5 Oct 94 p 3

[FBIS Translated Excerpt] The Corporation for Agro-Forestry Development and Service is a corporation which is connected with the Ministry of Defense. It was officially established on 4 June 1989. Its primary function was to serve as a corporation for improving and building the agricultural base and to engage in public security activities in three southern districts of Sayaboury Province: Paklai District, Ken Thao District, and Bo Ten District.

In the five years that this corporation has operated in Sayaboury Province, one can see that the appearance of the province has changed a great deal. In particular the three southern districts of the province have received continuous development. The roads from village to village and district to district have been repaired, and many have been paved. In the past the people and merchants had used horses and elephants to carry goods to where they could be sold or exchanged. Now for travel and the exchange of goods they use vehicles and boats which move goods quickly. There are more and more merchants in the markets, and the living standard of the multiethnic people is steadily improving. Lt Col. Khambang, a member of the administrative committee of this corporation indicated that when this corporation of ours first was set up in Sayaboury Province, some groups among the people were suspicious of it, and they slandered it saying it was not good. To protect its rights and duties as well as those of the army, the corporation was determined not only to perform its business duties and develop all areas of the economy in the three southern districts but also to conduct public security operations.

During this entire period we were able to complete many projects for Sayaboury Province. For example we built

the Nam Ping irrigation system and the Ban Vang Thoung Village irrigation system, we paved the roads in the Pak Lai Municipal District and in the Ken Thao Municipal District, we repaired the road from Pak Lai District to Ban Nakhayang Village, we built a road from Ban Hat Dai Village to Ban Na Chan Village, we rebuilt abandoned roads in Ban Houai Lai Noi Village which was worth 2 million plp-kip, we repaired the road from Ban Nam Phoun Village to Pak Phoun together with the "A3" unit, we worked with the people of Na Kok District in repairing the roads of their municipal district, and we provided 1,400,000 kip for repairing the road from Ken Thao District to Don Men. [passage omitted]

Philippines

Officials Criticize U.S. Travel Advisory

BK2612112494 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 26 Dec 94

[FBIS Translated Text] Senator Blas Ople, chairman of the Senate Foreign Relations Committee, today strongly criticized the U.S. Department of State for releasing a travel advisory describing the Philippines as a dangerous destination for foreigners and tourists. Ople said the U.S. Government's action is unfair because it depicts the Philippines as a dangerous country. He said although crime is a problem in the country, it is not as serious as what is portrayed in the advisory. Ople demanded for an immediate withdrawal or correction to the advisory since it is a great insult, not only to the government but to all Filipinos.

[Begin Ople recording in English] It's definitely an unacceptable slur on the Philippines and it should be ground enough for our government to file a strong diplomatic protest with Washington. If necessary, we should recall our ambassador to Washington to give a pointed edge to this protest, which should also include a demand for the withdrawal of this advisory, or its amendment. [end recording]

Press Secretary Jesus Sison also lambasted the travel advisory. Sison stressed that the advisory, which is based on a report of the U.S. Embassy in Manila, does not illustrate the true situation in the country.

[Begin Sison recording in English] I think what the U.S. Government did was foul, you know, unfair, below the belt because basing our statement on the crime in America, there are (?more) crimes committed in the big cities of the United States of America than in the Philippines. I don't have the (?file), I don't have the figure right now, but I'm sure my statement is correct. [end recording]

Paper Says MNLF Coddling Terrorists, Bandits

BK2712082794 Manila THE MANILA CHRONICLE in English 23 Dec 94 p 4

[Editorial: "The South Seethes"]

[FBIS Transcribed Text] The fierce fighting between the government and alleged forces of the Moro Islamic Liberation Front [MILF] in Carmen, North Cotabato is one of the necessary wages of the interim cease-fire agreement with the Muslim secessionist movement in the south.

As the government tries to forge peace with the secessionists, it also tries to make its presence felt in the south that has long suffered from official neglect, the main impetus to the rise of insurgencies. In the process, it comes into contact with lingering armed groups that have staked their claim on a territory upon which government is asserting itself. Clashes inevitably follow.

In such a situation, we can only urge the military to exercise the utmost caution so that civilians are not unnecessarily thrust into danger.

Perhaps it is better to first sow the seeds of goodwill among communities before infrastructure of army commands is built in far-flung villages. Such will be less than a challenge to armed secessionist groups making a claim on the territory. In any case, military solutions can never replace the need to foster friendship and goodwill among rebel-infested communities.

But there should be no doubt on the need for government to assert itself. Without at least making the motions of extending the scope of its jurisdiction and reaching out to remote communities, the government will not be able to test the territorial claims of various armed groups presenting themselves as insurgents.

The latest confrontation in fact introduces some relevant questions on the government's interim cease-fire agreement with the Moro National Liberation Front [MNLF]. The MNLF has been the first to condemn the government for intruding on territory that allegedly belongs to the MNLF splinter group, MILF. The intrusion, according to an MNLF spokesman, violated the truce since the MILF belongs to the so-called MNLF "friendly groups" under the agreement.

Judging from the MNLF claim, "friendly groups" are those that engage government troops on any terrain in the south for whatever reason, be it for secessionism or banditry. This is a broad interpretation that would grant legitimacy to just about any armed group in Mindanao.

The broad interpretation of the cease-fire agreement is convenient for the MNLF. By indirectly associating itself with any armed group that dares to challenge government, it also expands its reach and adds to its image of invincibility. The enlarged image will be of help on the bargaining table when it negotiates with the government for a political settlement of the Mindanao conflict.

The interpretation of course is problematic for government. As those embarrassing cases of kidnap for ransom in the MNLF bailiwicks of Sulu and Basilan have shown, the kidnap syndicates could easily evade government entrapment by weaving in and out of MNLF sanctuaries.

By giving refuge to the syndicates, the MNLF makes it known that the bandits are "friendly groups," that is, they should not be touched by government troops.

The government however is duty-bound to protect the people by using its police powers to impose law and order especially in areas where such is wanting. It may have a cease-fire agreement with the MNLF but that does not mean it should be a partner to fostering, with the Moro secessionists and bandits, a milieu of lawlessness in the south.

Thailand

Thaksin on Meeting With U.S. Ambassador

*BK2312143194 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 23 Dec 94*

[FBIS Translated Text] The Thai Government may agree to send former member of parliament Thanong Siriprichaphong, who was charged with narcotics trafficking, for trial in the United States as requested. Prime Minister Chuan Likphai said it was possible, but this would have to be decided by the court after a thorough study of the bilateral extradition agreement.

Meanwhile, U.S. Ambassador to Thailand David Lambertson this morning called on Foreign Minister Thaksin Chinnawat to discuss narcotics problems. He confirmed the U.S. request for extradition of Thanong for trial in the United States. Thaksin said that the decision will be based on Thai law. The Office of the Supreme Attorney-General is preparing an opinion. The foreign minister said he also asked the ambassador about the United States' blacklisting of Thai politicians involved in narcotics trading, and about a report that Chawarat Chanwirakun, appointed deputy finance minister from the Chat Phatthana Party, being one of them. The U.S. ambassador denied this. Thaksin said he stressed that direct cooperation should be encouraged in order to prevent such rumors, which are not good for Thailand's image.

The U.S. ambassador also granted an interview, during which he told newsmen he hoped the Thai Government would cooperate fully concerning the U.S. request for the extradition of Thanong.

GATT Delegate Faults U.S. Market Policy

*BK2612031194 Bangkok BANGKOK POST in English
26 Dec 94 p 26*

[FBIS Transcribed Text] The United States is threatening to make it harder for Thai companies to get into the US financial market if Thailand fails to further open its own financial market, says the director of the Bank of Thailand's financial institutions supervision and development department.

Thirachai Phuwanat-Naranuphan, who was a Thai representative at the first round of the GATT's financial

liberalisation talks held in Geneva early this month, said that members including the US, Canada, Australia and the EU asked Thailand to open up more of its financial market.

But Thailand maintained that more of its market has been opened up in the last few years and the Government plans to liberalise it further, but every step must be taken to avoid a drastic impact on local financial institutions.

All member countries understood and accepted this reasoning except the US, which citing Indonesia's extensive liberalisation of its financial market, insisted that Thailand take a similar step.

The US demanded that the maximum amount of shares Thai legislation allows aliens to hold in Thai banks and financial institutions should be raised from the current 25

Mr Thirachai said that in effect Thailand will allow foreign banks to open a total of five full branches next year, and more will be allowed until eventually foreign banks can operate the businesses themselves.

To permit more foreign banks to hold shares in Thai financial institutions now means it is possible for them to take over Thai businesses as well.

The difference between "opening full branches" and "takeover" in this sense is that in opening branches everything must start from zero, while taking over, a much easier approach means to penetrate a financial market in a given country by using the existing base of local institutions as a springboard, Mr Thirachai explained.

Given the current environment, local financial institutions will be "hit in the eye" and cannot thrive if such takeovers by foreigners become rampant, he said.

The US threatened to put Thailand in the second tier of countries wanting to get into the US financial market, below other countries that readily open their doors to US companies,

Mr Thirachai feels disappointed by the US attitude this time, considering the long-cherished bilateral relationship.

He said US businesses have always been privileged in Thailand under a special agreement. He believes the call is for too much and is unfair.

The first round of talks on the GATT's financial liberalisation has yet to be completed. The next round is scheduled for June next year, which will be the deadline.

Thailand plans to insist on maintaining its previously planned liberalising steps as they are believed to benefit both Thailand and the US.

Cambodia Orders Thai-Owned Airline's Shutdown

Airline Owner Seeks IATA Help

*BK2512110394 Bangkok BANGKOK POST in English
24 Dec 94 p 15*

[FBIS Transcribed Text] Thai-owned Cambodia International Airlines (CIA) is appealing for help from the International Air Transport Association [IATA] after Cambodian authorities told the airline to cease operations within 24 hours, said the carrier's owner, Udom Tantiprasongchai.

The order came in a letter yesterday from the Cambodian Office of the Prime Minister, telling the airline to stop all operations to make way for the new national carrier Royal Air Cambodge, which is to begin operations early next year.

"I have received an illegitimate order," said Mr Udom. "CIA did not break aviation rules. Under international rules, it is not correct to order carriers to stop operating within 24 hours."

He said the letter ordered the airline to stop its service to Hong Kong effective yesterday.

Last February the Cambodian government told CIA it would have to cease operating in April if a joint venture to set up a national carrier between the government and Singapore interests came to pass. But the conditions of the joint venture were strongly criticised by Cambodian newspapers as unfair.

The project eventually failed, and the February notice should no longer apply said Mr Udom. He wanted to know why the government used the same order in a different situation.

Royal Air Cambodge is being set up with the help of Malaysian businessmen. But the Cambodian government will hold the majority stake in the new carrier. To make way for the airline two carriers—CIA and Siam Kampuchea (SK Air)—were ordered to shut down.

Mr Udom noted that the contract the Cambodian Government is going to sign with Malaysia on January 2 to set up the national carrier has not been approved yet by the cabinet.

Industry sources said the proposed joint venture with the Malaysians is similar to the contract that had been proposed with the Singaporean interests.

The source said the Cambodian and Malaysian sides have been talking for about a month, and the person in charge of the deal is a senior Cambodian government official.

Mr Udom said that presently CIA has a backlog of 35,000 passengers, and 3,000 scheduled to fly soon. The Cambodian government should be responsible to these passengers, he said.

"We know this order came too late," he said yesterday. "This morning around 100 passengers just checked in for Hong Kong."

CIA has two aircraft flying from Phnom Penh to Bangkok, Hong Kong, Singapore, Kuala Lumpur, Vientiane and Kunming.

"What is the Cambodian Government doing?" asked Mr Udom. "On December 18 I just received approval to fly to Taipei."

Minister Seeks Compensation

*BK2512114494 Bangkok NAE0 NA in Thai 25 Dec 94
p 2*

[FBIS Translated Text] Foreign Minister Police Lieutenant Colonel Thaksin Chinnawat told reporters that he had held talks with Prince Norodom Ranariddh, Cambodian first prime minister, and sent a letter to Cambodian Second Prime Minister Hun Sen to demand compensation for the two Thai-owned airlines which were ordered to halt their operations from the end of this year.

The foreign minister said that the complaint was aimed at encouraging the Cambodian Government to set standard guarantees for foreign investment and create confidence for foreign investors who are doing business in Cambodia.

The reason the Cambodian Government ordered the closure of the two Thai-owned airlines is that it wants to develop a single national airline in the country.

Six Thais Charged With Helping Sin Song

*BK2312151494 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 23 Dec 94*

[FBIS Translated Text] The public prosecutor has filed a charge against six Thai nationals for helping General Sin Song of Cambodia enter Thailand and take shelter here.

The charge was filed at the Criminal Court today. The six men are: Bunchai Buasuwan, Wasan Charungchan, Athirat Kamonmethakun, Ahmad Luangkhan, Udom Waithunkian, and Lieutenant Colonel Adun Bunset. The charge spelled out that on 4 September the six persons acted as accomplices in bringing General Sin Song and his aides, who are foreigners, into Thailand through the border of Trat Province. They also provided shelter for those foreigners in Bangkok. Their act constituted a violation of the immigration law. The six persons denied the charge. The court scheduled the first hearing for 3 February 1995. The accused requested to be bailed out. The court accepted their request and allowed them bail at 150,000 baht each person.

Editorial Views PRC Relationship With Burma

*BK2612072894 Bangkok THE NATION in English 26
Dec 94 p A6*

[Editorial: "The great game for Burma"]

[FBIS Transcribed Text] For all the noise and heat generated by advocates of the boycott-Burma lobby, their argument is ultimately futile.

Not because they are campaigning from a position of morals versus money or even from a stand of principles against pragmatism but simply because China, Burma's huge neighbour to the north, will have nothing to do with it. Everything Burma needs in terms of basic material goods, China can provide. And with the arrival of Li Peng on an official visit today, Beijing is also extending to the Slorc [State Law And Order Restoration Council] leaders something they crave more than anything else—some heavyweight international recognition.

Since the leaders of both countries rolled out their armies to crush prodemocracy uprisings in the late '80s, the two ruling regimes have experienced the chill of international isolation and condemnation. China has managed to buy its way back into favour because nobody could resist its huge burgeoning market. Poor little Burma, mismanaged for decades, has found friends harder to come by—except for China.

From a country seen as the nation's No. 1 ideological foe only a few years ago, China has quickly become the Burmese government's biggest backer and has provided the country with both military and non-lethal assistance. Chinese goods now flood Burmese markets and Rangoon has allowed the Chinese to set up military listening posts on islands near the strategic Malacca Straits. There is even talk in Beijing of Burma becoming a land bridge for China to project its strategic interests in the Indian Ocean as well as a gateway to the Middle Kingdom's industrial heartland.

While Southeast Asian countries have been reluctant to say so in public, it is this growing Chinese influence over Burmese affairs as much as anything that is driving their "constructive engagement" policy with Rangoon.

With the end of the Cold War, the strategic balance in Southeast Asia has shifted dramatically. Vietnam, once the focus of defensive efforts, is now poised to become a member of Asean. Meanwhile, China, an erstwhile ally in the campaign to contain Vietnam, has become the main source of concern.

That anxiety is becoming particularly acute as the question of who will succeed paramount leader Deng Xiaoping intensifies. The present crop of pretenders to Deng's throne have apparently resolved that the current uncertain times allow no room to be seen as soft. Thus at home, dissidents are being rounded up and given unjustifiably long sentences for the most meagre acts of defiance and abroad Beijing is increasingly resorting to bluster and outright [as published] bullying when it can't get its own way. It is taking a harder line on the disputed Spratly islands, threatening to subvert the new World Trade Organization, aggressively enforcing what it claims are its territorial waters and flouting nuclear non-proliferation agreements.

In Burma too, China seems determined to go its own way despite what the rest of the global community may think. Instead of using China's considerable international clout to push Rangoon down a more democratic path, Li Peng will no doubt offer more fraternal words about solidarity and friendship with Burma's illegitimate military government.

The Chinese premier is also expected to follow up on the work of a high-level delegation which visited Rangoon earlier this month on a mission to sell the Burmese on the idea of a railway to link the two countries. Should the line go ahead—the first rail link between the two countries—it will give China's heavily industrialized central provinces direct access to the sea and drag Burma closer into Beijing's circle of influence.

But while the Burmese junta can expect support from China they will find no relief in Beijing from the constant pressure for democracy simmering up beneath them. The reason is that both leaderships are bedevilled by the same problem—a lack of legitimacy.

Along with Deng there are only three party leaders left alive from the days of the Long March. Since China abandoned socialism for capitalism the party has effectively lost its mandate to rule. The communists can no longer justify their hold on government and the economic reforms Deng unleashed 15 years ago are rapidly whittling away their power. The Slorc, which refused to hand over power after losing a general election, is suffering similarly and must use the same iron-fisted means to stay in power.

Asean has offered to open the door for Burma to return to the international community with the stated proviso that they do so as a more democratic entity. The Slorc meetings with opposition leader Aung San Suu Kyi suggest that the constructive engagement approach is finally yielding some results. But much, much more needs to be done.

In its competition for Burma's allegiance, Asean can choose to butter up the Slorc with loose and fast business deals or it can let the junta know that true friendship is based on principles. The latter course may take much more painstaking diplomatic work but it is the only one that can ultimately succeed. In the end, all illegitimate governments come tumbling down because they don't have the support of the only side in this game that really matters—their own citizens.

Vietnam

Developments in U.S. Relations Reviewed

BK2612044694 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 26 Dec 94

[Article by Dinh Nguyen from TUAN BAO QUOC TE (International Weekly); date not given]

[FBIS Translated Text] It took the United States and Vietnam nearly 20 years after the end of the war to establish the first official diplomatic representation in the capital of each country. The advance group in charge of opening the Vietnamese liaison office in the United States left for Washington last week. According to Mr. Ha Huy Thong, deputy chief of the liaison office and also an official in charge of the advance group, the opening of liaison offices will lead to the normalization of diplomatic relations between the two countries. U.S. diplomatic personnel who work at liaison offices are already present in Hanoi.

According to informed sources, the official opening of liaison offices in the capital of each country will take place in late December 1994 or early January 1995. Vietnamese and U.S. specialists met in Hanoi from 2-9 December to discuss the diplomatic property issue between the two countries. The meeting also marked the third round of talks to discuss a considerably sensitive issue. As a result, the two sides initialed an agreement on the settlement of diplomatic property issue. U.S. officials in Hanoi said that they will now shift their discussions to final measures to officially open liaison offices in the capital of each country as soon as possible.

Also in mid-December of this year, General Secretary Do Muoi received U.S. Senators Paul Simon (Democrat) and Frank Murkowski (Republican) who arrived in Hanoi from Pyongyang. The general secretary highly valued the contributions of the two senators to the promotion of Vietnamese-U.S. ties and maintained that the strengthening of bilateral relations responded to the aspirations of the two peoples and to the interests of regional countries.

While in Vietnam, Senator Murkowski predicted that the United States would establish full diplomatic relations with Vietnam early next year. He said: I would not be surprised to witness a number of significant events in 1995. He also rejected a report that the new majorities of the Republican Party in both houses of the U.S. Senate would pressure the President to slow down the normalization of relations with Vietnam.

A liaison office is not an embassy. However, to attain this status, Vietnamese-U.S. ties have undergone countless difficulties. In looking back at the pace of developments since the time the United States decided to allow other countries to grant loans to Vietnam to clear its debts to the International Monetary Fund (IMF) to the lifting of a 30-year embargo against Vietnam, which constitutes the most important adjustment of U.S. policy toward Vietnam since 1975, we can have reasons to be optimistic. It is hopeful that compared with the time from 1977 when official talks to discuss the normalization of relations were initiated to February 1994 when the embargo was lifted, the time from the establishment of liaison offices to the restoration of full diplomatic ties between the two countries will be much shorter.

Spokesman Condemns Killing in Algiers Hijacking

BK2712114094 Hong Kong AFP in English 0922 GMT 27 Dec 94

[FBIS Transcribed Text] Hanoi, Dec 27 (AFP)—Vietnam on Tuesday vigorously condemned the murder of a Vietnamese diplomat by Islamic extremists who hijacked an Air France jetliner in Algiers at the weekend.

A foreign ministry spokesman confirmed to AFP that Bui Giang To, 48, a trade councillor from its embassy in Algeria, was one of three passengers killed by the terrorists after they took control of the Airbus A300 on Saturday.

"The government and the people of Vietnam strongly condemn this terrorist, murderous and barbarous act," the spokesman told AFP in a statement.

The statement said To was murdered despite the efforts of the Algerian government to spare the hostages lives and called on the world community to "step up joint efforts to prevent the recurrence of such criminal acts."

The statement came just hours after the hijackers were killed and the hostages freed when French troops stormed the aircraft in Marseilles, where it arrived from Algiers early Monday.

To, who was a ministry of finance official, had been assigned to the embassy in Algiers for three years and was preparing to leave at the end of his tour of duty, informed sources here said.

He was on his way back to Hanoi, via Paris, to report on his mission to superiors before returning to Algeria to pack up his belongings, when he was shot on the gangway of the aircraft at Algiers airport.

He was the only Vietnamese citizen on board the aircraft and was the second Vietnamese to fall victim to the political violence in Algeria.

On March 1, Nguyen Huy Sau, a lecturer in engineering at Sidi Bel Abbes, 370 kilometers (231 miles) southwest of the Algerian capital, was murdered by two armed attackers.

Vietnam and Algeria enjoy good relations, which were forged out of an ideological closeness and a common fight against the French colonial powers that ruled both countries after the end of World war II.

There are 10 employees, half of them diplomats, at the Vietnamese embassy in Algiers, sources here said.

A further 300 Vietnamese experts live in Algeria, about 200 of whom are academics while the rest are health workers.

Third Round of Tonkin Gulf Talks Concluded

BK2312155594 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Dec 94

[FBIS Translated Text] In compliance with an agreement on the basic principles for settlement of territorial border-related problems between the SRV and the PRC

signed on 19 October 1993 and pursuant to the results of the second round of talks, the joint Sino-Vietnamese working group for the demarcation of the Gulf of Tonkin border held its third round of talks in Hanoi from 20-22 December 1994.

The talks took place in a friendly and frank atmosphere.

The two sides exchanged views on such issues as the scope and purposes of border demarcation, and other issues related to the demarcation of the Gulf of Tonkin.

The two sides signed the minutes of the meeting on 22 December.

On the same day, Deputy Foreign Minister Vu Khoan, chief of the Vietnamese delegation, received and held cordial talks with all members of the joint working group for the demarcation of the Gulf of Tonkin border. Also present was Chinese Ambassador to Vietnam (Chen Jian).

The two sides unanimously agreed that the fourth round of talks will be held in China by April 1995.

CPC Delegation Pays Working Visit

BK2612142194 Hanoi VNA in English 1358 GMT 26 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 26—A delegation of the Communist Party of China led by Mr Chang Kuo-kuang [name as received], deputy secretary of the party committee of Liaoning Province and secretary of the party committee of Shenyang city paid a working visit to Vietnam from Dec. 19-25 as the guest of the Communist Party of Vietnam (CPV).

While here, the Chinese delegation paid a floral tribute to President Ho Chi Minh at his mausoleum.

The delegation was received by Pham The Duet, Politburo member of the CPV Central Committee, who expressed his belief that the exchange of visits to inquire into the situation, exchange views and discuss measures and possibilities of cooperation would promote the friendship between the two peoples.

For his part, Mr. Chang Kuo-kuang highly valued the achievements recorded by the Vietnamese people during their renovation process under the leadership of the Communist Party of Vietnam. He said he hoped that the Vietnamese people would gain more successes.

The delegation also visited the party committees of Ho Chi Minh City, Vinh Phu and Tay Ninh Provinces and a number of economic and cultural establishments in these localities.

Joint Sea Surveys With Russia Reviewed

BK2412154094 Hanoi VNA in English 1448 GMT 24 Dec 94

[FBIS Transcribed Text] Hanoi VNA Dec. 24—A conference was held here today by the Hydro-Meteorological

General Department (HMGD) to sum up the joint sea-surveys conducted by Vietnam and Russia in 1993 and 1994.

Representatives of the Government Office, the Commission on Border Affairs and the HMGD attended the conference.

Vietnam and Russia have conducted a number of scientific surveys in the Vietnam's waters and continental shelf in the framework of the agreement signed in 1980 by the Governments of Vietnam and the former Soviet Union on bilateral scientific and technical cooperation on tropical meteorology and typhoon research.

Since 1988, the two countries conducted surveys of the Vietnamese continental shelf with the help scientific research ships made by the former Soviet Union and Russia. During the 1993-1994 period, the two countries' scientific surveys were extended to the Truong Sa (Spratlys) Archipelagoes and the Gulf of Siam.

The two sides drew experiences in building up survey programme and conducting the joint surveys. They also proposed tasks to be implemented for further research.

Vice Minister, Delegation Visits Israel

BK2712135194 Hanoi Voice of Vietnam in English 1000 GMT 27 Dec 94

[FBIS Transcribed Text] An economic delegation of Vietnam led by Vice Minister of Light Industry Nguyen Minh Tam arrived in Israel on Monday [26 December] to discuss business cooperation. A spokesman for the Israeli Foreign Ministry described the visit as a manifestation of development of bilateral trade and economic relations. The Vietnamese delegation met with Israeli Minister of Trade and Industry Mikha Harish and attended a seminar organized by the Israeli Chamber of Commerce.

Do Muoi Speaks at Army Anniversary Ceremony

BK2312095294 Hanoi Voice of Vietnam: Network in Vietnamese 1430 GMT 22 Dec 94

[Speech by CPV General Secretary Do Muoi at the ceremony to mark Vietnam People's Army 50th founding anniversary in Hanoi on 21 December—read by announcer]

[FBIS Translated Text] Today our people and the entire army are elated to commemorate the 50th founding anniversary of the Vietnam People's Army [VPA]—the major national defense anniversary—in a most jubilant atmosphere, while our countrymen and combatants throughout the country are striving to carry out national defense and construction tasks. At the same time, we are making preparations to celebrate various great anniversaries in 1995 such as the 65th founding anniversary of our party, the 20th anniversary of the liberation of South Vietnam and the reunification of the nation, the 50th

foundings anniversary of the Socialist Republic of Vietnam, and the 105th birthday anniversary of President Ho Chi Minh.

On behalf of the entire party and people, I would like to convey my warmest and most cordial greetings to various units of the heroic People's Armed Forces, the heroic VPA, and the generations of cadres and combatants of the VPA who have been and are serving the revolutionary army—the faithful army of our party, people, and nation. I would like also to convey my best wishes and kind regards to the families of fallen soldiers, comrades and families of sick and wounded soldiers, and all veteran and retired cadres. I would like specifically to convey my warmest greetings to various Vietnamese mothers—the heroic mothers of those heroic sons and daughters who fought and sacrificed their lives for the cause of national independence, freedom, and socialism—who, together with their beloved sons and daughters, have enhanced the tradition of patriotism and have unyieldingly fought the enemies to defend our nation, which has a history going back several thousand years.

Fifty years ago, when our revolution shifted to the preparation period for the general uprising to seize the administrative power throughout the country, on 22 December 1944, President Ho Chi Minh gave an order to set up the Vietnam Propaganda Liberation Army, the first main force of the Vietnam People's Armed Forces. Together with the former units of the VPA such as the Bac Son Guerrilla Unit, the Nam Ky Uprising Force, the National Salvation Force, and the Ba To and other guerrilla units during the struggle against the French and Japanese for national salvation, our first main force has been consistently and increasingly enlarged, exactly as predicted by Uncle Ho at its establishment. Although its military adventures were minimal at the beginning, its prospects were glorious because, as a liberation army, its activities began to spread to all areas of our nation from the northern to the southern regions. Undergoing 50 years of building and fighting and being led, educated, trained, and fostered by the Communist Party of Vietnam and President Ho Chi Minh, as well as being supported and loved by the people, our VPA and People's Armed Forces have been increasingly strengthened and enlarged, thereby being enabled to gain glorious victories, achieve great military exploits, and write various new pages of our heroic national history with great pride.

Over the past 50 years, the People's Armed Forces have consistently fulfilled the sacred national defense duty while satisfactorily carrying out their lofty international obligations. Under the party and President Ho Chi Minh's victory banner, various generations of the VPA cadres and combatants have continuously fought against the enemies for national salvation, thus contributing to building the fatherland and setting brilliant examples of patriotism and national heroism. Being led and educated by the party and Uncle Ho, having their origins in the people and sharing flesh-and-blood relations with them,

fighting for the people, and maintaining revolutionary characteristics to the full, the 500,000 heroic combatants of the Vietnamese People's Armed Forces have highly upheld the determined-to-fight-to-win spirit, fought courageously, worked creatively, strengthened unity, strictly observed discipline, endured hardships, overcome difficulties, and mastered the science of military warfare, thereby outstandingly fulfilling all the assigned tasks. Our people and party have a great, profound pride in the heroic Vietnam People's Armed Forces and the VPA.

To meet the new requirements and to fulfill new tasks, the People's Armed Forces must strive to build a revolutionary, regular, and seasoned people's army to step by step achieve standardization and modernization. Under all circumstances, our People's Armed Forces and the VPA must be an effective, reliable, and sharp tool of the revolution and people. They must become increasingly strong combat forces so that they can firmly protect all the revolutionary gains, thereby effectively defending the fatherland's territorial integrity, seas, and airspace, and firmly protecting our people's national construction cause.

In face of the current situation and revolutionary tasks, our army must strive to consistently develop its fine revolutionary character and tradition to firmly enhance its will-power and combat impetus so as to continue building and perfecting the Vietnamese military arts, while striving to outstandingly carry out the national defense, production, and economic work so as to meet the immediate and long-term tasks in the new situation.

To protect the fatherland, the party, the regime, the revolutionary gains, and the people's peaceful laboring life so as to build the nation are the most sacred duties of our People's Armed Forces. To contribute to firmly maintaining political security, foiling the peaceful evolution scheme of the hostile forces, and repelling the danger of war; and to cooperate with the people to overcome any hostile circumstances are the regular tasks of the People's Armed Forces.

The armed forces of the people are responsible for the national defense task yet also participate in production activities. This means that the People's Armed Forces are duty bound to engage in the economic and cultural tasks of the nation, thereby contributing to creating a national combined strength for the new stage of development both now and in the near future. We must strengthen the army organization to suit the new tasks while continuing to accelerate the building of the regular and seasoned revolutionary army to step by step achieve standardization and modernization. We must continue to build firm and strong units of the People's Armed Forces, formulate effective people's war plans, build strong and firm all-people national defense, and strengthen the three categories of troops, making them comprehensively strong in their capabilities and advanced in their political and ideological background while striving to improve their technical and strategic

planning, organizational, and supervisory skills. Efforts must also be made to build more material-technical bases. These are the fundamental contents that must be firmly grasped in building our People's Armed Forces.

The strength of our People's Armed Forces and the VPA since their establishment has stemmed from the great strength of our entire people, the soldier-people solidarity, and various contributions by the multiethnic people in our nation. These valuable traditions and lessons should be developed and profoundly and effectively applied to carry out various tasks to meet the current requirements. For this reason, our party and state have asserted that to build the People's Armed Forces, the VPA, and the all-people national defense are the duty, obligation, and sentiment of all sectors and echelons as well as of society as a whole and all Vietnamese patriots. The VPA's founding anniversary is also the major national defense anniversary which stems from this profound concept.

The Vietnam People's Armed Forces must strive to be worthy of the confidence and trust accorded them by our party, state, and people while always adhering to President Ho Chi Minh's teachings: Cooperate with the party, work with the nation, be faithful to the people, and stay in combat readiness so as to struggle and sacrifice for the fatherland's independence, freedom, and socialism. The People's Armed Forces must be able to fulfill all tasks, overcome all difficulties, and defeat all enemies.

Conference Reviews Hanoi Information Services

BK2412133294 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Dec 94

[FBIS Translated Text] Aside from its many central government newspapers, television channels, and radio stations, Hanoi now has eight newspapers, one television and radio station, eleven newsletters, and one magazine with occasional supplements. In addition to these information services, Hanoi also has a system of satellite-relayed information and a good book publishing network.

The Cultural and Information Department held a conference on 23 December to review state management over the mass media and printing and publication work in Hanoi for 1994. Representatives from the Central Department of Ideology and Culture, the Ministry of Culture and Information, the Hanoi People's Committee, and a number of Hanoi newspapers attended the conference. Many delegates said that the Hanoi newspaper and publication service has recorded many achievements this year but has not really met the diversified demands of the citizens or visitors. There have been significant improvements in publication work and the management of the printing sector. Hanoi's bookstores, however, are not big enough to provide better service to the increasing number of readers.

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